

2nd Day
Enables
Promis.
GE 4)

SEP 23 1935

3rd CONVENTION DAILY B-40

The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, SEPTEMBER 20, 1935

General Liability of
Midwest and Arbor Moh

THIS IS Life Underwriters' WEEK

In the life insurance business one week in the year belongs to the life underwriter. That is the week of the annual convention of the National Association of Life Underwriters now being held here in Des Moines. This week is a great week in the life insurance business, and we salute the National Association of Life Underwriters as a profound influence for the betterment and progress of the life insurance business.

Thousands of leading life insurance salesmen of America are here to attend this convention. They are not only leaders in their own business, but they are prominent and influential citizens in their own communities. They represent that great army of life insurance salesmen who are playing a prime part in building up the institution of life insurance as an increasingly important factor in the progress of the United States toward greater social security.

Whenever it is a question of what is best for life insurance policyholders and the best interests of the life insurance business, the life underwriters of America are always on the right side. They are a constructive element of the greatest importance in the economic system of the United States. So we salute them and their organization and we welcome them to Des Moines and Iowa, not only in behalf of the life insurance business in Iowa, but also in behalf of the people of the state because we know that every Iowan will be glad to extend them the hand of friendly hospitality.



BANKERS LIFE COMPANY

GERARD S. NOLLEN, President

DES MOINES - IOWA

Over half a century
of cooperation with
agents and policy
holders. Unusually
attractive agency
contracts built on
the successful prin-
ciples of expansion
inaugurated at the
commencement of
our second fifty years
of greater service.

The **FRANKLIN**
LIFE INSURANCE CO.

SPRINGFIELD, ILLINOIS



*Address Agency Inquiries to Rollin Young
Vice President in Charge of Agencies*

Silver Jubilee

Continental Assurance . . .
now in its 25th year . . . con-
tinues steadfastly in growth
and service . . . Our Silver
Jubilee Drive has especial
attractions for aggressive
agents with high standards
. . . Present low rates con-
tinue until further notice . . .



Continental
ASSURANCE
COMPANY
CHICAGO

The National Underwriter

LIFE INSURANCE EDITION

L. A. Lincoln Features Final Day Card

Supervisors Stage Snappy Luncheon

Short Talks Are Given On Recruiting, Supervising and Training Problems

R. L. SWARZMAN PRESIDES

Nearly 150 Attend—Participants Included Robert Reno, G. F. Ream, L. C. Woods and W. A. Fraser.

Convention Headquarters, Des Moines, Sept. 20.

The luncheon for supervisors is becoming a feature of greater importance each year during the national conventions. This year about 150 appeared for the luncheon Thursday and several extra tables had to be brought in. Roy L. Swarzman, Equitable of New York in Des Moines, presided and staged a snappy program. There had been no arrangements for speakers before hand. Those attending were requested to submit the names of any whom they would like to hear discuss either one of the questions of training, recruiting or supervising. None of those so designated knew he was to be called on but everyone spoke to the point and some, good practical suggestions were brought out in a period of a little more than an hour.

Robert Reno of the Equitable Life of New York in Chicago said he depends largely on his organization for recruiting. When the pressure is exerted upon him to bring new men into the fold, he "kicks the ball back to the old organization," he said. He tells the men that new recruits are needed, that they know the kind of men they want sitting across the table and "spitting in their telephones." If they want a homogenous unit, it is up to them to bring in the new men. If he has to do the job, Mr. Reno tells his men, he cannot be responsible for the type of man he brings in. He tells them that he has only one pair of eyes whereas there are 26 pairs in the organization.

Comparison Is Found

The best new men come from the old organization, he stated, just as the best business comes from policyholders.

As for supervision, Mr. Reno has adopted the practice of seeking to determine what a man must earn during a given month to meet his expenses and then setting out to supervise him in such a way that he can earn it.

W. W. Blanton of the Connecticut Mutual in Newark was next. Each year the agency determines the number of new men that must be recruited. It is known what can be expected from new men. Dividing the amount of desired production by the amount that the average new man will produce gives the number of new men that must be added.

He said his agency has been success-

Takes Helm of National Association



LESTER O. SCHRIVER

Lester O. Schriver, general agent of the Aetna Life at Peoria, Ill., who was elected president of the National Association of Life Underwriters at the closing session Friday, has long been one of the most active workers in the association and has served as vice-president the past year.

President Schriver has been general agent in Peoria, Ill., for the Aetna Life since 1929. Before that for a period of five years he was at the head office of the Aetna, first as director of education and then as superintendent of agents. His earlier experience was in personal production in Middletown, Conn. He entered the insurance business after having served as general secretary of the Y. M. C. A. at Middletown. He was born in Bristol, Conn., and educated in the schools of Syracuse, N. Y.

Mr. Schriver was elected national secretary at Pittsburgh in 1931; third vice-president at San Francisco a year later; second vice-president in Chicago in 1933 and vice-president at Milwaukee last year.

ful in the use of newspaper advertising. Factories have dismissed educated men and many new agents have come from that class. More inquiries come from blind "ads," but better inquiries from hard-boiled "ads," definitely stating it is a life insurance proposition and putting up a challenge.

Cards are sent to policyholders each month asking for nominees. There is a yearly letter to examiners.

Roy Schofield of the Old Line Life of Milwaukee said he has been successful in getting new men from factory towns.

L. C. Woods, Equitable Life of New

York, Pittsburgh, said the mark of success of an agent is the livelihood he makes. An agent is not successful if he can't live within his income.

Years ago, he said, the Edwards A. Woods agency based its quotas on volume of production. Then the emphasis was shifted to paid lives. Today, the supervisor reviews the personal budget of the agent, his household expenses, payments on debts, insurance premiums, etc. The expenses are measured and discussed. Then the income from outside sources and from renewals is weighed. The difference between the

(CONTINUED ON PAGE 30)

Metropolitan Man's Address Broadcast

Gives Weighted Critique of National Policies and Trends of the Day

MUCH TALENT OFFERED

Whatley, Hull, Files, Engelsman, Borden and Busse Heard at National Life Underwriters Meeting

Convention Headquarters, Des Moines, Sept. 20.

With inspiring words of Ralph G. Engelsman, Penn Mutual, New York, to carry away as the final "package" of the week, hundreds of conventioners are making an exodus from Des Moines tonight by rail, plane, and motor. Some departed yesterday but most remained for the program of the final day when some of the greatest talent of the country was offered, including LeRoy A. Lincoln, vice-president of the Metropolitan Life, S. T. Whatley, vice-president Aetna Life, Roger B. Hull, managing director National association. Then there were Henry Files, Northwestern Mutual, Cedar Rapids, Ia., Borden & Busse, who made a big hit, and Mr. Engelsman.

Mr. Lincoln was the big news of the convention and his address was broadcast over a network of 45 stations.

Life Insurance Week

Much interest was aroused by the appearance of Mr. Whatley, who is chairman of the 1936 life insurance week committee, and gave the first information about the plans for the week next May that has been available.

L. O. Schriver, Aetna Life, Peoria, Ill., the new national president, was chairman of the morning session and C. Vivian Anderson, Provident Mutual, Cincinnati, of the afternoon session.

The election of officers went off according to schedule, with much handclapping and backslapping.

The invocation was given by the Rev. F. J. Weeritz, pastor St. John's Evangelical Church.

After a patriotic song, Chairman Schriver called for a hand for the song leader, Oscar Gustafson of Davenport, Iowa.

Mr. Schriver asked what the convention thinks of the program chairman, A. E. Patterson of Chicago. That was the signal for prolonged applause and cheers, attesting the esteem in which Mr. Patterson is held and the popularity of the program he offered.

Mr. Schriver, in introducing Roger B. Hull, the first speaker, asserted the belief that the managing director's paper will prove to have been the "state paper" of the week.

An inspirational talk was made by John R. Todd, New York, contractor, on the

(CONTINUED ON PAGE 31)

Living Approach Is Now Recommended

Stress Idea of Providing for Life With Death as the Incidental Feature

SHIFT IN THE EMPHASIS

Opportunity In Fact 7 of 10 Live to Age 60—Here's to Long Life and Merry One.

By RALPH G. ENGELSMAN
General Agent Penn Mutual, New York

For 100 years now, life insurance has been bought and sold on the basis of one predominating idea: To protect one's family in the case of premature death.

Is it possible that in these whole 100 years we have been so busy expanding the service of life insurance that we haven't had time to stop and examine whether or not the idea of protection against death is the most important one?

Originally, and naturally, protection for the family in case of the death of the breadwinner was considered the whole reason for life insurance (and lest I be misunderstood or misquoted, I believe it is still a most important function).

Greater Possibility of Living

But, I wonder whether we haven't overlooked something. We stress the idea, and urge people to protect their families against the possibility of their dying, where the very tables that we use in our premium calculations point to the greater possibility of their living.

At age 30 for instance, the chances of a man living to 60, according to the American experience table of mortality, are 68 per cent, say roughly seven out of 10, and at age 35 the chances of living to 60 are approximately the same. I chose these two ages because I believe that most policies are sold in that bracket, and if a man lives to 35 or older, his chances of living to 60 are even greater.

Yet we stress protection against death, where our tables, on which we base our arguments, indicate the great need for the protection against life.

That's not all. Statistics further show us that the life insurance companies pay out about 70 per cent of their money to living policyholders, not to the beneficiaries of dead ones.

Why Money Is Paid Out

I know you are probably saying, "That's okay, but that's on maturities, surrenders and so on." Well, that's true, but it's because people are alive and need their savings that the money is paid out. That is the point I want to make.

Now, let us forget statistics, and look around at life and find out what we actually see with our own eyes.

How many in this room have mothers and fathers living over 60, or who reached 60 or over before they died? Now, think of uncles, aunts, friends and acquaintances, men in the home offices, men in your own organizations. You'll find very few whom you know died before reaching 60 years of age.

Life With Death As Incident

Yes, they live and except for this reference, I want to make this a pleasant speech. How many of those now over 60 are able to take care of themselves financially? How many are living with their children, daughters or sons-in-law, or receiving support from others? Except for the exceptional case, it's not the prettiest picture in

C. L. U. Leaders at Des Moines Convention



W. M. Duff, president Edward A. Woods Company, Pittsburgh, director American College; Dr. David McCahan, dean Dr. S. S. Huebner, president; E. W. Brailey, New England Mutual, Cleveland, director National Chapter C. L. U.; Fred L. Cassidy, Prudential, Seattle, new president National Chapter; C. F. Axelson, Northwestern Mutual, Chicago, chairman committee on elections National Chapter; Maurice B. Cohill, Equitable Life of New York, Pittsburgh, speaker at National Chapter dinner; L. C. Woods, Equitable of New York, Pittsburgh, former president National Chapter; W. M. Liscum, New England Mutual, president Cleveland chapter; Gerard S. Brown, Penn Mutual, Chicago, former National president.

the world, is it? We don't need statistics to tell us the story, all we need is fairly good eye-sight.

In the past, we have sold on the idea of providing against death, and then talked about life as the incident. I believe it is our job to stress life, with death as the incident.

People want to live, like to live, and do live.

And, they like to find out how to live better and better.

One of the nice things about our business is that the more we help, the more satisfaction we supply, the better we are off, too.

I contend that the living approach is more important, more effective, more acceptable, more complete, and, this point is only incidental, it happens to be more profitable.

Men live to 60! Let's tell them so! Let's see that they do something about it!

Pleasant Possibility

We have been doing just that in our office for some time now. Here is what my agents say—

"Mr. Prospect, for years we've been talking about insurance for a man's family in case he dies, and of course, that's very important. But, the interesting thing is that your chances and my chances of living to 60 are seven out of 10. In other words, the chance is 70 per cent in favor of our living to 60.

"You know, as I do, when we become 60 our families are then grown up and well able to take care of themselves. As a matter of fact, one man said to me that the best thing he could do for his family when he gets older is to take care of himself. So, we are urging people to consider not only the hazard of dying, but to contemplate the more pleasant and more likely possibility of living."

Selling Death Coverage

And an amazing thing has happened. We are actually selling as much death coverage with retirement plans as we believe we could sell on the ordinary life plan. It sounds ridiculous, but it's so.

I am going to give you one illustration, although I could give you many more.

A few months ago, Eric Wilson, one of the leaders in my organization, called on a prospect and talked to him about buying \$5,000 additional life insurance to protect his family. The premium involved was \$120. Eric's prospect told him that he couldn't afford it, although he would like to have more insurance.

However, Eric inadvertently switched to a retirement plan for the man him-

self. The prospect was intensely interested, and though he couldn't afford the \$120 to purchase death life insurance, somehow or another, he found \$50 a month to put away for himself.

But, here's the big kick, in putting away \$600 a year, or \$50 a month for himself, instead of the \$120 originally talked about for his family, he incidentally bought \$17,000 of protection for his family instead of \$5,000, and automatically put the \$17,000 on an installment option.

Fantastic But True

All this sounds fantastic, but it's true, and our records show case after case similar to this one.

I believe as you all do that life insurance for the average man is the greatest out and out pure investment he can make. There are lots of plans which on paper appear safe and show a good deal better return, but experience and observation says no to these other plans for the man with only a few dollars to invest.

Let's be honest. Let's look at the facts in the eye. Prospects talk a lot about investing money, but actually very, very few have even as much as \$1,000 a year to put away, and the great majority of them probably only have a few hundred dollars surplus. They can't do very much with that under any plan, and any lapse or loss means disaster.

Let's impress it indelibly on their minds that seven out of 10 are going to reach 60, and that if they hope for peace and security in their later years, they must save systematically now.

Life Claims Are Recited

We often tell new agents about the "kick" they get out of settling death claims. We tell them about their duty to do a job, and the satisfaction they feel if after a client dies they realize that they have been a competent advisor. Fine! It's all right to talk about death claims, but let me tell you about a few life claims.

About two years ago, a couple, gray haired though youngish looking, walked into my office in New York. They asked to see the head of the office because they had something important to talk to him about.

After they were ushered in, they sat down and the woman turned to me and said, "Mr. Engelsman, my husband and I have a life income with your company which starts this month, but we are a little bit worried about it. We've been interested in art for many years, and we've saved our money so that we would always have an income and could do whatever we liked. We are going to Capri, then down through Italy,

From there we may go to London for a while. We are going to do all the things we had always hoped to do."

Worry Is Discovered

With that story, I was wondering just what was bothering them and I was amused when I found out that their only worry was "Could our company deposit the money for them each month in a bank here under their name?"

When I told them that that could easily be taken care of, she turned to me and said, "Well, that eliminates our last worry, and I warn you, it's going to cost your company an awful lot of money because we're going to live a long time."

I had another case quite similar just a few months ago.

I received a phone call from an annuitant, a woman by the way who is only 55 years old now, and she said "Mr. Engelsman, I am about to leave for a trip around the world, can you arrange to see that the checks are sent to the purse at various ports?" When I told her it could be done, all she said was "God bless you".

Doctor Takes Advice

Here's a story that should interest some of your scientists:

One of my men recently called on the leading heart specialist in New York City, and the conversation turned into a discussion of angina.

The agent asked whether there was any cure for angina. The doctor said no, but he volunteered that there was a wonderful treatment for it. The agent asked what it was, and the doctor said "You'll be surprised when I tell you an income for life for an older person. The only treatment that I know for angina is freedom from worry, three square meals a day, and more freedom from worry, and the only answer I know to that is a definite income."

What is more, it will be interesting for you to know that the doctor took his own medicine.

Test of Richness

I know what you probably are saying "These people are all above the average, they are apparently rich people." My answer to you is that in my opinion anyone with an income at 60 is a rich person.

The medicine is a simple and palatable one—long term endowments with retirement income privileges. Every company has some policy to fit that need for almost any particular case.

As I said, the medicine is simple and palatable. Take it yourself!

Remember, you are going to be 60. (CONTINUED ON PAGE 30)

Public Education Great Need Today

People Must Be Impressed with Institutional Character of Insurance

CRUCIAL MONTHS AHEAD

Movement to Tax Insurance Proceeds Indicated Lack of Conception of Real Nature of Insurance

By ROGER B. HULL
Managing Director National Association of Life Underwriters

Three facts:
1. A little less than three months ago, your National association reached its highest peak of 46 years, in respect to number of members.

2. A little more than three weeks ago, the Congress of the United States came dangerously near enacting a tax law, with respect to which a president of a life insurance company said, in a public address, during the pendency of the legislation, "We are again faced with the danger of taxation without intelligent and effective representation."

3. A little more than three months from now that same deliberative body will reconvene in the city of Washington.

Facts Are Related

Those three facts are related to and interrelated with each other.

Let's pick up the details of the closing days of the 74th Congress. We refer only to those details which directly affected life insurance.

On August 5 there was passed by the House of Representatives a tax-bill which, under its inheritance tax title, taxed, in the hands of beneficiaries, the proceeds of life insurance policies, "even though"—I quote the exact words of Section 203 (a) (7), if you can believe it possible—

"Even though at the time of the decedent's death he did not have the right to change the beneficiary or have any legal incident of ownership."

Trustees Were Polled

The president of the National association immediately polled the 17 trustees and found them to be in favor of opposing, in no uncertain manner, this iniquitous piece of legislation.

The attack was three-edged: First, that life insurance was a thing apart, and should not be taxed at all in the hands of beneficiaries.

Second, that if, for any reason, emergency, or otherwise, such proceeds must be taxed in the hands of beneficiaries, there certainly should be a proper specific exemption to each life insurance beneficiary, similar to that already recognized in the federal estate tax law.

Illogical Discrimination

Third, if life insurance must be taxed in the hands of beneficiaries—which it should not be—there certainly must not be any such illogical and unjust discrimination against life insurance, as compared with any other kind of property, as that imposed by sub-section (7) which would make life insurance the only kind of property in the world which could not be effectively given away, gift-tax paid.

Your national president, Theodore Riehle, your national chairman of legislation, Vivian Anderson, Franklin Ganse of Boston, Forrest Morton of New York, and several others, dropped everything and went to Washington, some of them practically commuting to the capital for three weeks.

Status Is Not Altered

I will not detail those intensive conferences and those significant appear-

Enthusiasm Marks Session Staged by Women Producers

Miss Corinne Loomis' favorite adjective "enthusiastic" best describes the tone of the noon luncheon session over which she presided in the Green Room crowded to capacity with women producers Thursday. There was enthusiastic response to the remarks of the four main speakers. Miss Sophia Bliven, Penn Mutual, Philadelphia; Mrs. M. W. Allin, Connecticut Mutual, Minneapolis; Miss Agnes Bruder, Equitable of N. Y., Chicago, and Miss Loomis, John Hancock, Boston. And there was enthusiastic handclapping when T. M. Riehle, retiring National president, announced that, in the revision of the by-laws, he had recommended women agents become a part of the organic law, their status of "special committee" changing to that of "standing committee" of the association. It appeared certain that at Boston next year the women's round table would make a new high on all counts, getting off to a great start early in the convention and, no doubt, being represented by a speaker on the national program.

Miss Loomis opened her remarks by repeating certain excerpts from convention addresses that particularly appealed to her. Among these were: "Don't be fooled by the obvious." "Don't ever underestimate the intelligence of a prospect." "Qualify yourself as well as your prospect." "Develop enthusiasm: the god within you!"

Urging a "quarter million dollar round table" for women next year, Miss Loomis declared her belief it would surpass in numbers that of the men's "Million Dollar Round Table." "Make your enthusiasm work for you!" she said. Miss Loomis closed by giving a synopsis of the life insurance survey made by the Curtis Publishing company in the typical city of Rochester, N. Y.

In her address, Miss Sophia Bliven took as her text "What Makes People Buy" by Donald A. Laird. "If you can inflate the ego of your prospect, by building up his self esteem, you can sell," Miss Bliven asserted. "It is very apt to happen that the salesman will know more about rate books than he need know, and lose the power to sense the human element in making his approach." Miss Bliven pointed out the following subconscious reasons given by Mr. Laird as his theory of why people buy:

1. Desire for more adequacy.
2. Desire for romance.
3. Desire for a richer life.
4. Desire for superiority.

Confusion in the mind of the prospect on the various involved aspects of insurance was given by Miss Bliven as the initial reason why many sales fail. She advised practicing the sales approach and talk on a child of ten. "If he can understand what you're talking about, you'll sell easily," Miss Bliven declared. "It takes more vision, stamina, and self-discipline to be a success in the life insurance business than in any other."

Mrs. Allen spoke on the subject of the C. L. U. degree, pointing out its many advantages. "Many people would rather deal with a woman than with a man, if she knows her business equally well," Mrs. Allin said.

"Achievement of a degree turns your job into a profession, buoys your self confidence, shows you mean business, and builds prestige for you in your community. A. C. L. U. degree is twice as important for a woman as for a man."

Miss Bruder read a paper entitled "The Mind of the Buyer" sent in by Miss Sara Francis Jones, Equitable of N. Y., Chicago, who was unable to be present. Miss Loomis proposed that a telegram be sent Miss Jones regretting her absence.

ances before the ways and means committee of the House and the finance committee of the Senate. Sufficient to say that on Aug. 24 both the House and the Senate passed, and on Aug. 30 the president signed, the tax law with the inheritance tax title stricken out, and with the net result that the new tax bill does not alter in any way the taxable status of life insurance.

What do the next six months, what

does the next year or more, hold in store for the business of life insurance?

Life insurance bears heavy responsibilities, both for today and for tomorrow. It must, with candor and with courage, see to it that the public understands its underlying social service functions, and the relationship of those functions to other national developments.

All these things that are going on in

Gives National View



ROGER B. HULL
Managing Director National Association

our economic structure bear with tremendous force and importance upon the thriftest of all classes in this country, the 63,000,000 owners of life insurance.

Moreover, the underlying processes and projects which have seemed to make some of these new proposals necessary—especially along lines of tremendously increased public indebtedness and the resulting necessity for increased taxation—are of the most direct and vital concern to that group of sober citizens. And after all, they and their dependents are the beneficiaries of the trust which you men and women have been building all these years.

I am not talking about any crusade of obstruction or criticism of the current order of things, nor even of a program of opposition to crack-pot schemes and utopian proposals.

Positive, Constructive Gospel

We have a positive, constructive gospel to preach, if there ever was one. We hold, more than any other group in this nation, the promise of increased social justice and improved living standards through individual enterprise. We do not have to go out to attack the wild-eyed schemes of impractical reformers.

We must not waste our time or ammunition on our disagreements. We must assume the constructive role of preserving and raising the American standard of living—and who can assume that role as you life insurance agents can? In the debate over methods of economic and social organization, the people will understand arguments couched in terms of tangible, individual effort and personal security. That is the only way to counteract the tendency of the thinking of some people today, which popularizes penury and penalizes thrift. You represent the real "forgotten man" in today's economic order.

Paying Honor to Thrifty

You pay honor to the thrifty—you do not make pauperism the object of the great American award. You lend aid to the honest, independent citizen—you do not coddle the unworthy. Your service fosters the old and instinctive desire and willingness to work hard—it does not dignify shiftlessness and laziness. You do not translate the right to be kept from starvation into the right to be maintained in idleness.

You work for and among the people who ask for no Good Samaritan—who look to themselves for economic security, both for their dependents and for their own old age—who take pride in individual achievement.

(CONTINUED ON PAGE 25)

Group of National Association Leaders



Left to right, standing—C. J. Zimmerman, Connecticut Mutual, Newark; John A. Witherspoon, Pacific Mutual, Nashville; Ernest A. Crane, Northwestern Mutual, Indianapolis; Chester O. Fischer, Massachusetts Mutual, St. Louis; Ernest W. Owen, Sun Life, Detroit. Seated—Robert L. Jones, State Mutual, New York; C. Vivian Anderson, Provident Mutual, Cincinnati; O. Sam Cummings, Kansas City Life, Dallas, Tex.

Foundations of Nation Are Firm

People Know What Is Going On and of What Is Needed

SHOULD VOTE FROM DUTY

Participation of Citizens in Government Is One Foundation That Requires Strengthening

By JOHN R. TODD

President Todd, Richardson, Todd Engineering Corporation

The chairman said that I am a product of the middle west. That is true, and while of late years I have not spent as much time here as I would have liked, still I always think of it as home.

Some one has said—give him a boy for the first seven or eight years of his life, and it doesn't matter where he goes, or what he does after that—the teachings he has received, and the principles implanted, will stick to him as long as he lives. And so with me. While later years have carried me somewhat outside the old boundaries, still I always hark back with affection and thanks to a kindly fate, for eighteen years spent in these states which send their waters to the Gulf.

There is another tie.

When a young man, teaching at Beirut, Syria, I met a young lady traveler. Two years later the wedding ceremony was performed by her father at their home in Iowa.

Some years ago three men came to our offices. They were the owners of one of the biggest bridges in the country. It was a double decker for railroad and automobile traffic, and several miles long. The foundations were failing and the federal government was about to condemn it. Business was failing off, income was dropping. They were in trouble. We sent out men, made a thorough examination, coffer-dammed the piers which were unsound, pumped them out, took away all the defective portions, and made the foundations better than when first built. Everybody was happy, business went on, and its owners prospered.

It would have been useless for them to put a coat of paint on the super-structure, or to repair the roadways, or to grab off what little income they could, for the time being. They had to get after the foundations or lose the bridge.

At this time we cannot do better than to have a look at our national foundations. Many people are wondering whether they are sound. The answer is that three of the four of which I will speak are just as good as they were, and that one needs attention.

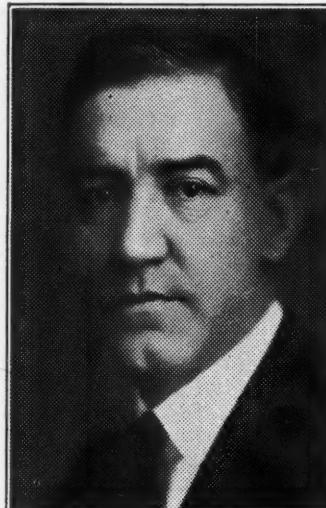
People Understand Problems

The first of the four foundations is: Our widespread national knowledge and understanding of what is going on, and of what we need.

This understanding is not confined to any one section or class. Men of the farms, in the shops, in the factories, in small business, in big business, in overalls, in every walk of life know our present dangers and necessities. They know that "the moon isn't made of Stilton, and that pigs do not have wings." Each group thinks it is the only one which understands, but that's wrong. All groups understand.

It is an understanding which, regardless of race, color, religion, party, section, or employment, will not stand for anything which the people in their unselfish moments believe to be against the country's permanent welfare. Much of the time this understanding slumbers, but it can be awakened and when

Key Man at Meeting



W. W. JAEGER

W. W. Jaeger, vice-president and superintendent of agencies of the Bankers Life of Iowa, had as much responsibility as any of the local people in connection with the convention. He was chairman of the advisory committee. That meant that any problem that involved the expenditure of money was referred to him for final answer. He took the responsibility on many points and was a key man. He made a most forceful speech before the meeting of the managers and general agents section in behalf of the so-called declaration of guiding principles.

aroused, it will brush aside everything which threatens our future.

With all the preaching of the specious and false doctrines, the public at times gets somewhat confused, and that is why we require strong leadership.

Six years ago some people thought we had found the way to perpetual prosperity but that bubble burst. Again, some people think we have found the way out of our troubles by another route. But have we? Continued prosperity and reemployment will never come from anything but increased legitimate business, and the people know it.

Want Nation to Advance

Our citizens realize that our government and our conditions are not, and never have been, all they should be, and they want the nation to advance and to go on to better things, but they also know how perfectly wonderful American life has been and still is in comparison with anything else the world has ever seen. And they also know that if they destroy what we have, they will get something very much worse.

They know how great is the opportunity which it has offered, not only for a brilliant young man or woman to get on, but also for the great mass of our people to live happy, useful lives.

An important New York business man said to me: "I have built up very little capital. The income from it would nowhere near support my family as we now live. I am dependent upon my salary. I don't want to leave a lot of money to my boys, but I do want to leave to them that which I found when I came here as a poor immigrant boy—opportunity. I'd gladly give up my jobs and salaries, go into public service on a small government stipend, if I could do anything to insure this opportunity to my sons and to others' sons."

This understanding must be wisely directed, but the understanding is here and it is a great national asset. We can handle our money difficulties and our social problems if this understanding is properly encouraged to express itself.

Do not let us make the mistake of

(CONTINUED ON PAGE 32)

Increasing Policy Size With Package Sales

By Henry M. Files
Northwestern Mutual, Cedar Rapids, Ia.

presentation of life insurance as a solution for the problems of all types of buyers. We can't be specialists.

Selecting the Prospects

The next step is the selection of prospects in proportion to their ability to pay. If we are going to increase our average size application from \$3,000 to \$5,000, some prospect along the line is going to have to buy a large amount. We must, therefore, have in mind several large cases, buyers capable to buy \$25,000 or more if we can uncover a sound reason for their doing so. We must then have in mind prospects who can buy \$10,000 or more and we must try and figure out reasons why they can be interested. From this point we must list the \$5,000 or more prospects and their needs, and lastly the smaller buyers from \$1,000 to \$5,000.

After we have set up the prospect inventory of the various classes of buyers as to ability to pay, the next point is what type of insurance might be of interest to them and how best to approach them. This is the weakness of many agents. Suppose you list a physician who you have reason to believe could afford more life insurance. There isn't any use in just calling on him blind. You must first get detailed information about him, his hobby, his conception of his obligation to his family, whether he is a generous or selfish type. And before you call, you must have set up in your own mind, at least, a plan or a package so to speak, which you believe ought to be of interest to him. And you must know how to present that package attractively, but forcefully. Let me illustrate.

Eyes the Average Agent

Let us suppose you are an agent in a town of 50,000 or less in the middle west and your production this year is going along at the rate of \$150,000 on 50 lives. You are faced with the problem of meeting ordinary family expenses, educating your children and providing a small amount of life insurance and entertainment for them on the modest income of approximately \$3,000 or \$4,000 a year. Naturally you are intensely interested in increasing this volume to a point where it will provide more comforts and pleasures for those who depend on you for support. And yet in spite of all good intentions, changes in plans, etc., you still are going along each year without making any progress towards a larger average production.

There are only two solutions. The first is to increase the average size application from say, \$3,000 to \$5,000, which if the same number of lives previously written are attained, will give us a total production of \$255,000, which is quite a nice increase.

The second is to increase the number of lives from 50 to 85, which at the average of \$3,000 per case, will give us a total production of \$255,000.

Would Increase the Size

I have no quarrel with those who prefer to increase the number of lives. This means seeing more people and by working more effectively, reach the higher figures. My preference is in the direction of increasing the average sized application, largely because it offers an opportunity to perhaps improve the type of service rendered.

While I have never worked in one of our larger cities, I have assumed that agents in a large city specialize. Certain men may specialize on tax problems and conservation of large estates, others may spend most of their time along business insurance lines, others perhaps on the sale of retirement plans, annuities and the so-called investment packages. But most of us live in smaller communities and our relationship with the public is much like that of the family physician; we deal with average people and we attempt, at least, to treat all kinds of financial diseases of the average family. Package sales are sales for a specific purpose. It follows, therefore, that if we are to be of service to all classes of buyers, both large and small, we must know how to present and explain the different packages to reach all classes and under all conditions. In other words, we must first equip ourselves proficiently in the

Need Compelling Reason

A few months ago I realized that a number of my good friends and policy-holders were groping their way out of the depression, beginning again to make money and could now be approached for more life insurance if I could think of some plan which might interest them. Many of them I had sold several different times before, all of them had been growing older as the years slipped by and rates were getting pretty high. I knew they would flinch at the cost unless a very good reason for buying was suggested. I happened to hit on the idea of going to a policy-holder of mine in the fifties who had a married daughter with two small children. The son-in-law was a young business man on a moderate salary and I knew he was carrying all the life insurance he could go along with until his income increased. Yet the need for protection for this young family was as great as ever.

I said to this father—"Did it ever occur to you that Uncle Sam had you in mind when he provided that you could give away not to exceed \$5,000 a year to any member of your family without paying any gift tax?" He didn't quite understand, so I said further—"You have a young married daughter? Suppose the Northwestern Mutual had a policy which your daughter might apply for on the life of her husband in which she owned all rights of ownership, including cash and loan values, death benefits, right to change beneficiary, etc., and now suppose that you made a gift to her each year of the amount of the premium so she could pay for the policy each year, what would be the result?" I'll never forget the smile on his face—he was way ahead of me. He replied—"That would have a tendency to reduce my taxable estate, all right, but more important than that, if my daughter's husband should die, the proceeds from this policy would provide a source of in-

(CONTINUED ON PAGE 28)

Come Home Next Year



ORTY-SIX YEARS AGO, the National Association of Life Underwriters was born in Boston.

Boston next year will be the host city of the 47th annual convention of the National Association—the home-coming convention.

Boston and New England won the right to bring you home in 1936 by organizing their forces in support of the invitation in a systematic and enthusiastic fashion.

That reflected the extent of our desire to be your hosts. That is an indication of the work and planning that will be done and the investment that will be made to insure that the Boston convention be one of the richest memories of organized life underwriting.

Our reward will be your enjoyment. Come home next year.

Life Underwriters Associations of New England

Heritage



BY FLICKERING CANDLE LIGHT in the dim back room of a building in Newark, the first business of the Mutual Benefit was transacted ninety years ago. The men who met there set about the work of establishing—without a dollar of paid capital—a sound mutual life insurance company: the most humanitarian of all business enterprises. Every effort was bent to their task of creating an absolutely mutual organization.

As the company prospered it followed the westward expansion, serving the hardy pioneers who pushed the nation's frontier into the blue Pacific.

When the drums of war were stilled in 'sixty-five the company's Mathematician went into the south "purposefully to locate and serve our policyholders" whose business relations had been interrupted by the war.

Through panic and prosperity, the company grew to serve an increasing number of the country's rapidly mounting population.

That same ideal of mutuality which inspired the founders and which sent Amzi Dodd into the war-torn South was the foundation of the company's unsurpassed non-forfeiture system. From it has arisen also an insistence by the management that all members be accorded equal privileges and freedom from restrictions; that no member shall profit at another's expense.

This ideal, dedicated to the service of the American people and their institutions, is our heritage from the men who met in that friendly back room ninety years ago.

The Mutual Benefit

Insurance Future Assured

Place in Economic and Social Fabric Not Threatened By New Federal Measures

By LEROY A. LINCOLN
Vice-President Metropolitan

Last April I was privileged to attend the celebration commemorating the one hundredth anniversary of the granting of the charter of the New England Mutual. No one who was present could have failed to reflect on the subsequent growth of the life insurance business, nor on the development, early in the history of such business, of those sound practices which have since marked its marvelous growth in the United States.

It was a fortunate destiny that presided at that birth, for the first great president of that company, Judge Willard Phillips, appreciating the necessity for a scientific basis of valuation of life insurance contracts, engaged Elizur Wright to make those investigations and calculations which subsequently resulted in the enactment of the legal requirements for ample reserves and reasonable nonforfeiture values. Thus early, the business was placed on a sound basis and there were established those principles that have exerted so profound an influence upon the growth of the life insurance institution in the United States. Naturally enough, with such principles, life insurance management required men conscious of the trusteeship inherent in its administration and those individuals who were unwilling to assume responsibility for the sort of unselfish administration which the business demands were discouraged from entering it. To early influences such as these, we can attribute that universal confidence in those promises of a life insurance company which are the very foundation of the success of the institution.

Lessons From Early Struggles

Today, as we survey the service of life insurance to the American people, as exemplified in huge disbursements to policyholders and to their beneficiaries, and as we ponder its possibilities for future service, as presently measured by the total of a hundred billion dollars of life insurance in force, we must not forget the lessons learned from those early struggles, nor lose the spirit which animated those founders of legal reserve life insurance in America. Elizur Wright was not only convinced that there should be a system of ample reserves, but he also thoroughly appreciated that people needed life insurance and he recognized the importance of persuading them to see that need. What he wrote to the Insurance Times in 1873 may well be considered by every field man, and by every student of social development. In simple philosophy, he answered a question that some may be asking themselves today when he said: "Life insurance, sweetening every night the sleep of millions of people with tired brains and troubled

hearts, and saving from utter desolation and want thousands of bereaved families every year, is a fact which could not have existed but for life insurance agents. When the world has become so good and wise as not to need the Gospel preached it, and every man is a moral law unto himself, then there will be no need of life insurance agents—and not much sooner."

Contrast the vision and practical philosophy of Elizur Wright with the arguments of some who advocate the furnishing of life insurance without the service of the agent. The value of life insurance lies not in the fact that it exists but in the extent to which it is of practical use to the public. Notwithstanding years of education concerning the principles of life insurance and the service which it renders, the record of those enterprises through which life insurance has been offered without the stimulation of agents clearly demonstrates that it would be an insignificant factor in our economic and social life without aggressive sales activities.

Now Symbol of Strength

In ever increasing tempo, the business has continued to expand its service. It has met all the trials common to life and has conquered them. War and pestilence and a succession of economic depressions have merely served to strengthen its position of responsibility and to increase public confidence, culminating in the magnificent record of the last six years, a record which represents, perhaps, its greatest achievement. Life insurance is now universally accepted as a symbol of strength, confidence and sound administration—in short, the exemplification by management of the highest motives by which men can be actuated. The word insurance has come to have such special significance that we, who are jealous of its real import, are bound to consider carefully every new application of the word. We must see to it that the public shall distinguish sound insurance projects from those so-called insurance plans from which its solid foundation is lacking, and, with every fair consideration for worthy proposals which may be advocated, we must try to prevent public misconception when the word insurance is being used improperly.

All of us who are associated with the institution of life insurance, whether in field or home office, have a great heritage. No superior plan has been devised by man for provision against the hazards which it covers, no business undertaking has a finer record of stewardship, and so we face a great responsibility to direct our institutions and our activities in such manner as to

One of Each Five of Our Agents Has Been With Us At Least 10 Years; Several 25 and 30 Years

Modern policies, proven sales aids, helpful programs, stimulating calls (from "Company Men") help the agent succeed, and develop a mutual personal interest that is pleasant, attractive and lasting.

We have an interesting proposal for qualified, high grade men not now under contract.

GREAT WESTERN INSURANCE COMPANY
In Our Own Building at 2015 Grand Avenue
DES MOINES, IOWA

make us worthy of this heritage. In the light of present-day economic and social conditions, we may well pause to ask ourselves, "What's ahead?"

Social Security Measures

Perhaps the first question that presents itself is the reason for those so-called social security measures which are being advocated and their possible effect on the future place of life insurance in the economic and social fabric of this nation. In making such appraisal it is imperative to have in mind, at all times, that the greatest social security for a nation does not lie in any one particular plan to provide for the needy. On the contrary it lies in a soundly functioning business mechanism employing all available workers at rates of compensation which not only provide a comfortable living, but also a margin sufficient to permit provision by each worker, through means of his own choosing, for the future of himself and his family.

For years industry in the United States has been employing a relatively large proportion of workers at wages in excess of those customarily paid in other countries. The average worker has been in position to provide for himself and his family to an extent unheard of elsewhere, even if inadequate to attain ideal conditions. We have heard the cry, "Pay enough wages and the working man will provide his own security as well as provide for his family". When we entered the war and, again, in more recent prosperous periods, wages were greatly increased, practically all of the necessities became available and many of the luxuries, but complete security was not obtained. Why? Has not the country paid high enough wages? How much income is enough? That is where the rub comes. A \$1,000 man might think \$2,000 would be enough. But \$2,000 may not be enough for the man who earns that amount. Perhaps he thinks \$4,000 would be enough—and so it goes. Practically no man earns enough. His desires, his ambitions and his longings to provide more and more for himself and for his family keep him constantly pursuing his earning power.

Reserving Unseen Dollars

Without minimizing in any way what we have accomplished, can we not, nevertheless, imagine the security which would exist today in the minds of people generally, had we succeeded in bringing about the general acceptance of some automatic relation between insurance premiums and personal income—some formula whereby income might be automatically broken down into one part to be used for current expenses and one part, after setting aside appropriate savings, to be reserved through life insurance for old age or for the family after death? Suppose even that the reserved part had never been received by the worker but, with his consent, had been set aside for saving with a sufficient sum paid to the insurance company by his employer. He would then have accommodated his mode of living to the wage he actually saw, while his unseen dollars would have been providing for income after his death or during his old age. The failure to attain this ideal condition is one of the reasons for what is called insecurity which is prompting the government to seek to alleviate two major hazards, unemployment and dependent old age.

Both plans are attempts to make some provision, in an orderly way, for the minimum needs of the dependent aged and of the unemployed who must otherwise become the responsibility of the community and a burden upon its revenues. These are no new problems. They are as old as the world itself but we face them from a new angle and in a form aggravated by conditions resulting from our present highly industrialized organization.

Unemployment is not an insurable hazard as we insurance men understand the term. Viewed as an unemployment reserve and not as insurance, a soundly

conceived plan for the purpose should not affect legal reserve life insurance adversely. It should have a favorable influence by giving greater stability to the incomes of the holders of legal reserve life insurance, thus increasing the likelihood of their being able to continue their insurance protection. Workers should feel encouraged, by the anticipated stability of their incomes, to devote a larger part of their earnings to the purchase of life insurance.

Contributory old age pensions will be available largely to those who need guidance and assistance in saving for a dignified, independent retirement in their old age. The purpose of such pensions is to substitute definite plans for the care of the aged who now, when indigent, are subject to so many vicissitudes and uncertainties.

Minimum of Relief

With neither of these objectives can life insurance find any fault in principle, but, on the contrary, both should have our hearty encouragement. Whatever the plan, whatever the ultimate solution, it can, at best provide only a minimum of relief against restricted hazards and there will still remain to be solved, by those whose earnings permit them to make greater provision for the future of themselves and their families,

the question of their personal protection. As long as it shall be possible to exert individual initiative, as long as a man can earn what his efforts deserve, there will be those who either desire to, or can be persuaded to, make provision in an orderly and businesslike way for their own old age and for the welfare of their loved ones when their earning power ceases.

Life insurance affords the opportunity for people in this group to realize their ambitions and the record of the past warrants us in believing that, in the future, such people will continue to give large scope for our activities. As long as rights of private property exist, as long as we continue to need capital in business, as long as men desire to make financial provision for tomorrow, just so long will there be need for life insurance. In the words of Elizur Wright, until "every man is a moral law unto himself" there will be need for life insurance agents to serve the people and there are no signs on the horizon to indicate any cessation of that need.

Finds Satisfying Answers

But many changes, political and economic, are taking place—some temporary, some perhaps more permanent. As we look into the life insurance mirror, we naturally ask ourselves what

will probably be the effect of these changes upon the future course of our business. This is a question which concerns you and concerns every policyholder and beneficiary, present and prospective. I would not assume the role of a prophet, and undertake accurately to forecast any particular development, but I think we can look squarely at some of these questions and find satisfying answers.

Fundamental to the specific questions which we will ask is, of course, the question of the future political and economic organization of our country. In this land whose people have enjoyed a degree of liberty, opportunity and well-being unequalled anywhere else in the world, I cannot believe that there will be any permanent changes which will make the individual less interested in the opportunity to gain peace of mind through life insurance and thus to have free rein to carve out his own career in his own way. It is not to be denied that there are many people dependent upon the public purse today. I am convinced, however, that the vast majority of these people are anxiously awaiting, eagerly seeking, the opportunity to return to private employment and to enjoy the fruits of their own labors, at tasks of their own selection,

(CONTINUED ON PAGE 14)

Selling What the Buyers Want

FEDERAL LIFE of Chicago, with its new and complete group line, offers agents and brokers the things the insurance buying public wants.

GROUP INSURANCE sales have shown tremendous increases this year. Employers, anticipating the effect of legislative demands for social security plans, are hastening to develop their own plans for cooperation between employer and employee.

FEDERAL LIFE'S four part group plan offers a perfected line, as complete as any, more complete than most. Furthermore, the agent or broker may share with the policyholder in the savings resulting from favorable loss experience.

HOSPITAL & MEDICAL:

A policy which enables you to cash in on the great public interest aroused recently in hospital-sickness insurance.

DISABILITY:

An excellent weekly indemnity form.

ACCIDENTAL DEATH & DISMEMBERMENT:

Covers all forms of accidental death, dismemberment or loss of sight.

LIFE:

A standard low cost contract with conversion privilege and optional benefit payment plan.

THIS modern group line supplements **FEDERAL LIFE'S** regular line of life, accident and health policies—backed by 35 years of successful operation.

SINCE 1929 FEDERAL LIFE has increased assets, surplus and liquidity throughout the depression years. Recently published statistics show **FEDERAL'S** safety fund of 10.1% over all liabilities is higher than that of 21 of the largest companies in America.

"It Is Easy To Grow With a Growing Company"

FEDERAL LIFE INSURANCE COMPANY

ISAAC MILLER HAMILTON, President

166-168 N. Michigan Ave.

Chicago, Ill.



ONE LA SALLE STREET—An address of prestige, where the standard of service and the character of the occupancy fully comport with the dignity and impressiveness of the building.

L. J. SHERIDAN & CO., Agents.
One La Salle Street, Chicago
Telephone Randolph 7747

OUTSTANDING The

BOKUM & DINGLE

GENERAL AGENTS

Massachusetts Mutual Life Insurance Co.

of Springfield, Mass.

One La Salle Street Bldg.

Chicago, Ill.

Telephone State 3378
**ROCKWOOD
S. EDWARDS**

One La Salle Street
Suite 1914

General Agent

AETNA LIFE
INSURANCE
COMPANY

Chicago, Ill.

F. H. Haviland
Manager
CONNECTICUT
GENERAL LIFE
INSURANCE
COMPANY

1 North LaSalle

Randolph 8440

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

WILLIAM M. HOUZE

GENERAL AGENT

One La Salle St. Bldg.
Telephone: Randolph 9336
CHICAGO, ILL.

AGENCIES LOCATED IN The Life Insurance Center of CHICAGO

• • • ONE LA SALLE STREET BUILDING

ONE LA SALLE STREET is truly the Life Insurance Center of Chicago. More insurance organizations are located in this modern, up-to-date building easily accessible at LaSalle and Madison Streets, than in any other building in the city.

The General Agents and managers with offices at One LaSalle Street whose names appear here have unequalled facilities for handling all life insurance business. Brokers will find prompt and unusual service on brokerage business at these offices. Men who desire to become Life Underwriters and connect with well established organizations that give helpful aid will find an opportunity awaits them.

Here are some of the most progressive and modern producing organizations offering the best service on life insurance to be found anywhere in the country.

BERKSHIRE

Life Insurance Company
PITTSFIELD, MASS.
Inc. 1851

BYRON C. HOWES

General Agent for Illinois
One La Salle Street Bldg., Chicago
Phone Randolph 2224

An agency with a soul—permeated with an atmosphere of congeniality and the will to do.

The Samuel T. Chase Organization, representing the oldest life Company in Connecticut, is equipped:

*To educate and assist Full and Part-Time agents to make a living.
To give Brokers PROMPT and COMPLETE Service of all kinds.
To serve for surplus business all life insurance agents and also for policies not written by their Companies such as, GRADED PREMIUM POLICIES WITH FAMILY INCOME RIDER—*

In a Company accurately described as "Progressively Conservative."

SAMUEL T. CHASE
General Agent
Connecticut Mutual Life
Insurance Co.
One North La Salle Bldg.
CHICAGO

MARC A. LAW
GENERAL AGENT

NATIONAL LIFE
INSURANCE COMPANY
MONTPELIER, VT.

Telephone Central 2500
1835 One North La Salle St.

FREEMAN J. WOOD
GENERAL AGENT



LINCOLN
NATIONAL
LIFE
INSURANCE
CO.

18th Floor
One North La Salle St.
Telephone Central 1393

STUMES & LOEB

GENERAL AGENTS

THE PENN MUTUAL LIFE INSURANCE CO.
Suite 1525

One La Salle Street Building, Chicago, Ill.
Telephone Randolph 0560

An Agency Especially Equipped to Educate and Develop Steady Producers

Insurance Future Assured

(CONTINUED FROM PAGE 11)

under a government still guided by the sound principles of its founders, principles elastic enough to permit temporary adjustment to present needs as necessity is indicated. Let us, then, consider certain specific questions which relate directly to the problems of life insurance with a confidence that is borne of our belief in the ultimate sound common sense of the American people.

Four Insurance Factors

The four factors which affect the success of the business of life insurance and its solvency and cost, are mortality, investment security, investment earnings and expenses. Let us consider these in the order stated.

Life insurance companies have amply proven their ability adequately to measure future mortality and to select their risks so as to come within the limitations of the mortality assumptions. In our own time, there has been great improvement in mortality, particularly among those of the younger ages, largely due to the achievements of advanced medical science and the resultant improvement in public health administration. If, as many seem to think, we are facing permanently shorter hours of work, this will mean that industrial workers will be exposed for shorter daily periods to the special hazards of their occupations—accident, heat, dust, fumes, etc., and there may well come about a reduction in mortality among that group. Furthermore, added leisure, if properly employed, should contribute to health, happiness and longevity. Life insurance companies may be expected to continue to improve their methods of selection and control with respect to the business which they accept. Increased effectiveness of public health agencies as well as the widening sphere of their influence on the life of the country warrants the belief that the trend of future mortality rates will be a factor of little concern in the life insurance business.

Frazier-Lemke Decision

The converse effect upon annuity rates is, of course, obvious. Furthermore, with the lengthening of the span of life, we may expect more scope for increases in morbidity. Companies transacting health and accident insurance business or those continuing to write income disability benefits will be

giving serious consideration to this factor.

When considering the investment situation, we are gratified that the decision of the Supreme Court of the United States in the now famous Frazier-Lemke case has rejected the attempted invasion of the right of private property as something not to be permitted under the constitution. Much of the agitation which has been the excuse for legislation of this character, resulting for the time being in some uncertainty, is due to the failure to think soberly of the respective rights of lender and borrower, not only legally but also morally and socially. Those who borrow money must do so from those who, through thrift and saving, have it to lend. If we would encourage thrift and saving, we must assure security for savings. If those who desire to borrow money would have a ready market,—and government efforts toward recovery are based upon borrowing,—there must be a firm basis for confidence that the collateral security

will be preserved, and that sacred contractual obligations will be recognized at maturity.

The lender cannot be harsh in times of such economic distress as we have been going through. Certainly, from my knowledge of the attitude of life insurance companies, they have exercised every leniency to their borrowers consistent with their duty to policyholders. But there comes a time when they must recognize the interest of the widows and orphans for whose security such investments have been made.

Sympathy for Borrower

The present apparent sympathy for the borrower disregards the fact that he has spent and enjoyed the fruits of another's labor, loaned to him in anticipation of repayment by him, and that the lender (or those represented by the lender) may be in even greater need than the borrower. For instance, it is common knowledge that many aged persons have invested in mortgages the funds from which they expected their livelihood. Who, then, has the greater need, the young man who may have borrowed on his home or farm, who has health and strength and the ability to work, even though not the present ability to repay his mortgage, or those aged and infirm in-

dividuals who have rested secure in the promises of the borrower, anticipating uninterrupted income from those promises, and who are now too feeble to earn their own livelihood?

The life insurance companies protect millions whose ultimate reliance is on similar promises. The companies, as custodians of policyholders' savings, must protect the security of their investments, for they are determined to meet their obligations at maturity. They must continue to resist, to the utmost, any agitation, as well as any legislation, which would undermine the rights of the investor. You of the field have a wonderful opportunity in your contacts with the thinking population of this country to preach a better understanding of the debtor-creditor relationship and to help in stemming the tide of destructive efforts to change our national concept of the sacredness of obligation.

Real Estate Situation

Two years ago, in an address discussing some of the problems of the life insurance business, I expressed confidence in the investment portfolios of life insurance companies. The picture is even brighter today. The ratio of assets invested in real estate to total assets continues to be less than the



Why General Agents Fail

The mortality among men who become General Agents is entirely too high.

We are all of us familiar with the cases of men who, without adequate preparation, undertook General Agency activity and just could not make it go. It is not merely the time and money that is wasted that makes such a procedure unprofitable. Too often the very fact of failure does something to a man that damages his whole future career.

That is why this Company has evolved a definite and specific plan for the training of men for General Agency posts.

Just what this plan involves, is set forth in a booklet entitled, "The Making of a General Agent", prepared primarily for the information of those men in our own organization who are interested in future General Agency activity.

If you would find it of interest, we should be delighted to send you a copy.

ADDRESS C. C. FULTON, JR., AGENCY VICE PRESIDENT

HOME LIFE INSURANCE COMPANY • 256 BROADWAY • NEW YORK

Ethelbert Ide Low,

Chairman of the Board

James A. Fulton

President

Tells What's Ahead



LERoy A. LINCOLN
Vice-president Metropolitan Life

maximum reached during past depressions, and I have confidence, born of the previous history of the life insurance business, that such real estate will be disposed of at prices which will, in the aggregate, result in little, if any, net loss to the companies. There are already signs of an improving real estate market.

Interest earnings, as you well know, are an important factor in the cost of life insurance. Business is not borrowing as much as usual and the en-

trance of the government into many lending fields has temporarily taken from the market some of the customary sources of institutional investment and has served to reduce interest rates. Money is almost a drug on the market today. Aggregate interest earnings have declined and reductions in policyholders' dividends have not been uncommon in consequence, but we have faced these problems before. They are a necessary concomitant of such readjustments as we are now making. An

increase of business activity will naturally produce an increased demand for money, and in the meantime, the continued income of life insurance companies and the soundness of the security from which this income is produced are essential requirements of the policyholders. They will naturally desire that their companies shall earn as large an interest rate as is fair and compatible with safety. For example, 1 per cent interest earning on the total assets of life insurance companies would equal

\$200,000,000—a tidy sum to be applied by way of dividends toward the reduction of the cost of insurance. As the demand approaches the available supply of credit, we can expect a return to higher rates of interest, though they may not be as high as those which have prevailed in some past years. The more than one-half of our population who are owners of life insurance policies are vitally interested in the maintenance of interest rates adequate to

(CONTINUED ON PAGE 18)

Leading Life Offices of Chicago

HOBART & OATES

Phone
State 0633

208 S. LaSalle St.
Chicago

Chicago General Agents for the
Northwestern Mutual Life
Insurance Company

An agency giving its men thorough training and continuous supervision; the services of a competent statistician; policyholder leads and route lists; commission protection through accepting no brokerage business and no "part-time" agents.

*Greetings to the National Life
Convention*

For a permanent, happy and profitable
life insurance connection

Communicate with

SAMUEL HEIFETZ
Manager
**THE MUTUAL LIFE
INSURANCE CO. OF NEW YORK**

The Oldest American Company

Telephone STATE 4005
Suite 2022 Field Building
135 SO. LA SALLE STREET
CHICAGO

HERMAN C. HINTZPETER

Manager

**THE MUTUAL LIFE
Insurance Company of New York**

*Chicago's Greatest Agency
... and the Most Active*

8th Floor, 208 So. LaSalle St. State 9700
CHICAGO, ILLINOIS

LEADING LIFE OFFICES of CHICAGO

THE general agents and managers whose names appear here are operating some of the most progressive producing organizations in the country. Their equipment and facilities are unsurpassed. They offer the last word in life insurance service. They are among the leading life offices of Chicago.

ROBERT H. BEARD & COMPANY

General Agents

Tel. Harrison 6360

A-920 Insurance Exchange
CHICAGO



Chicago Skyline at Night

Kaufman & Fabry Photo

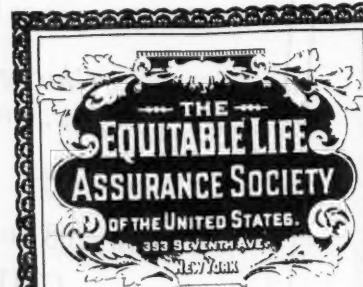
General Agent of New



LK
THE LUTHER-KEFFER AGENCY
Kendrick A. Luther - Roscoe H. Keffer
General Agents
100 William Street, New York

The Mutual Life Insurance
Company of New York

JULIAN S. MYRICK
Manager
57 William Street
"The Ives & Myrick Agency"
John 4-4800



RIEHLE AGENCY
225 West 34th Street
New York City

The Northwestern Mutual
Life Insurance Company
of Milwaukee, Wisconsin



CLIFFORD L. McMILLEN
General Agent
347 Madison Avenue New York City
Telephone Vanderbilt 3-5500



THE BRAGG AGENCY
1510 The Guardian Life Building
50 Union Square
New York

**NEW ENGLAND
MUTUAL
LIFE INSURANCE
COMPANY
OF
BOSTON, MASSACHUSETTS
INCORPORATED 1835**

WILLIAM H. BEERS AGENCY
1230 Empire State Building
NEW YORK

MANY features
shown and issued
today are growth of
the work for century
by Elizur Wright of
Life Insurance company
of Massachusetts Insurance Co.

The great insurance expansion is looked upon as his work. The progress - the very size of the convention he organized - owes much to Elizur Wright - to which he fought in opposition.

and Managers of New York City

The Connecticut Mutual
Life Insurance Company
of Hartford, Connecticut
Established 1840

JOHN M. FRASER
GENERAL AGENT

The Fraser Agency


140 BROADWAY
NEW YORK

PROVIDENT MUTUAL LIFE INSURANCE COMPANY
Policy No. _____
Date _____ Month _____ 19_____

Provident Mutual
Life Insurance Company
of PHILADELPHIA

Founded 1865

CLANCY D. CONNELL

99 John Street, New York

BEEKMAN 3-6131

**THE UNION CENTRAL
LIFE INSURANCE COMPANY**
CINCINNATI, OHIO

**THE CHARLES B. KNIGHT
AGENCY, INC.**
225 Broadway New York, N. Y.
WALTER E. BARTON, President
PAUL S. RANCE, Vice-Pres. & Treas.

**Massachusetts
Mutual
Life Insurance
Company**

Springfield, Massachusetts
Incorporated 1851

LAWRENCE E. SIMON
General Agent
20 Pine Street
New York

No.

**The Penn Mutual
Life Insurance
Company
of Philadelphia**



J. ELLIOTT HALL AGENCY
Osborne Bethea, General Agent
50 Church Street
New York

PROVIDENT MUTUAL LIFE INSURANCE COMPANY
Policy No. _____
ON LIFE OF _____

**The Prudential
INSURANCE
COMPANY
OF
AMERICA**

HOME OFFICE: NEWARK, N. J.
INCORPORATED UNDER THE LAWS OF THE STATE OF NEW JERSEY

GERALD A. EUBANK
Manager

Downtown Agency
40th Floor, 40 Wall Street
New York City

El Wright
MANY features here
shown and issued
today are a result of
the work of century
old Elizur Wright, father of
life insurance, as com-
pany officials, Massachusetts In-
surance Co., Boston.
The great insurance
expansion he looked
upon as his work,
the prescience—the
very size of the con-
vention attending—
was much of Elizur
Wright—of which he
brought in opposition.

Insurance Future Assured

(CONTINUED FROM PAGE 15)

maintain policy reserves. There are far more life insurance policyholders than there are borrowers from the companies and the interest of the greatest number of people will be served by the maintenance of a reasonable rate of return on investments.

Adjusting the Expenses

In the matter of expenses, as in the other phases of their operations, life insurance companies have proven their ability to adjust operations to existing conditions. While the cost of operation of most lines of business rose rapidly during the world war, life insurance companies avoided radical increases in their expenses. In considering the expense ratio of a life insurance company, we should not forget the types of service that are rendered. The expense shown in a company's statement corresponds to a total expense in other lines of business that would be ascertained only by the consolidation of several units of operation. To make a commercial comparison, life insurance expenses correspond, let us say, to the cost of disposing of manufactured articles through wholesaling and retailing, plus the servicing of the customer throughout the life of the article sold. It is difficult to find acceptable bases of percentage comparison with other businesses, but who can name any analogous business activity, rendering such extensive and prolonged service and handling such myriads of small transactions, which embraces, as expense in the ultimate cost of the product, anything like so reasonable a percentage of that ultimate cost as does the expense ratio of a well managed life insurance company? Nevertheless, we must continue to give thought to this problem of expense. We must serve

our policyholders at the minimum cost consistent with adequate and intelligent service. This is not alone the problem of the home office, but it is the problem of the field as well, and your cooperation is essential in attaining the best results. By improving field selection, by reducing the turnover of agents, and by avoiding all waste motion, the field can be helpful to the home office and likewise to policyholders, for again, expense affects the ultimate cost of insurance to the policyholder and reduced cost should spell a wider market.

We face possible increase in operating expenses as a result of the taxes contemplated by social security legislation. It is my opinion that the business will meet this situation in the same effective manner with which it has surmounted those problems which have confronted it in the past.

Taxation Is Vital Issue

A considerable portion of the disbursements of a life insurance company is represented by various forms of taxation, principally the premium tax. It is important that our field forces continue to educate policyholders respecting their vital concern in the matter of taxation, in order that policyholders may intelligently present their views in opposition to unjust tax proposals. The discussion of social security should serve to emphasize the importance of life insurance claim payments in eliminating burdens that would otherwise fall upon the state. It is unfair, unjust, and not in the interest of the state itself, that people who are imposing upon themselves what might be called a voluntary tax, in the form of life insurance premium payments to provide for their beneficiaries, should be discouraged by the imposition of

burdensome tax levies on insurance companies which can be paid only out of those very premiums.

The members of your organization have been valuable allies, as they should be, when requested by their home offices, in opposing unjust tax proposals, as well as other legislative proposals not in the interest of policyholders. Let us continue to bear in mind and publicly emphasize that our concern is solely for the welfare and the protection of the interests of policyholders. Proposals are often suggested in good faith by misinformed persons which are not in the interest of the whole body of policyholders. The life insurance companies of this country have themselves been, and will continue to be, alert to recognize changing conditions and to institute all new and valuable services which are in the real interest of their policyholders.

Inflation Issue Is Eyed

Apprehension is sometimes expressed as to the results to be expected from what is loosely called inflation. Not infrequently, one receives a letter from some individual raising the question as to the advisability of paying premiums in dollars of today's so-called value with the possibility that the insurance may ultimately be paid in dollars of less value. Superficially, the question might seem to have merit. Practically, it overlooks several things. One of these is the fact that inflation in the sense commonly ascribed to it by such inquirers—is not even probable. The kind of inflation which accompanies practically every normal business recovery does not appear objectionable to these inquirers. Instead, the kind of inflation that is questioned is that which raises prices several-fold or many-fold—the kind of credit and currency inflation which occurred in France, and to a far more disastrous extent in Germany. No public-spirited citizen would view with equanimity any such outcome if he supposed that such

potentialities of inflation as exist seemed likely to eventuate in an inflation of any serious extent. The responsible heads of our government have repeatedly indicated that they would refuse to countenance inflation in any such sense or degree as is feared by some.

Another fact often overlooked is that the retail purchasing power of the consumer's dollar is still substantially above what it has been during practically all the post war period. In fact, it is still above what it was in all those years except 1932, 1933 and 1934. During all those years of lower purchasing power, people were paying life insurance premiums and creating the reserves which today stand back of their policies. Economists are able to demonstrate that present prices could rise, that is, the present purchasing power of the dollar could fall, very considerably, before the purchasing power of life insurance benefits to be received would fall to a point below the average of the purchasing power of the premiums paid in by present policyholders.

Different Price Levels

It is obvious that premiums, through the years, are not all paid when prices are at rock bottom. Times change and price levels change and the premiums are paid in the same number of dollars although at different price levels. Furthermore, not even the benefits are necessarily paid at the same price levels. If the benefits are spread over many years under the customary options, they may be paid in dollars of higher or lower value than those immediately payable, or than the value of the dollars paid as premiums.

Finally, as another consideration respecting this subject of inflation, the uncertainty of time of payment is a matter for thought. Even if one could foresee a definite and constantly increasing rate of inflation, one cannot foresee when the benefit under a life insurance policy will be paid. Not only

GREETINGS



**TO MEMBERS of the
National Association
of Life Underwriters
assembled in your
forty-sixth Annual
Convention**

The high aims and purposes of the National Association of Life Underwriters have resulted in a constructive development among Life Insurance Agents, so that Life Insurance today stands among the highest of the business professions.

The Kansas City Life, like the Association, seeks only the highest ideals, faithfully carried out, believing that soundest growth and development results therefrom.

KANSAS CITY LIFE INSURANCE COMPANY

KANSAS CITY, MISSOURI

C. N. SEARS, *Secretary*

J. F. BARR, *Vice President
and Supt. of Agents*

J. B. REYNOLDS, *President*



Reproduced from an original Jay Hambidge drawing from the picture collection of The Lincoln National Life Museum. This portrays the congenial personality of Abraham Lincoln.

FRIENDLINESS

Lincoln's sincere but humorous trends of thought gave him mental relaxation and developed innumerable friends and lifelong admiring acquaintances.

This Lincoln trait furnishes a splendid suggestion to life underwriters. Such a personality combined with purpose and determination develops sales efficiency. An optimistic salesman backed by a dependable organization can render valued service. A host of friends helps create a volume of business.

The Lincoln National Life Insurance Company

FORT WAYNE, INDIANA

do thousands of policies become claims during the first few months of the first year after issue, but the annual net cost of life insurance protection is but a small percentage of the face amount of the policy. The question is, then, whether the fear of inflation at some indefinite future time, an individual should refrain from protecting his family by life insurance when the claim may very possibly become payable before the inflationary effect, even if it should ultimately prove extreme, could be sufficient in amount to offset the premiums paid.

Protection Is Wanted

The policyholder should not, and does not, buy insurance as a speculation, hoping that the benefits will be paid over a period of higher average purchasing power than the dollars paid in premiums. Instead, he quite wisely buys to average the risk of his death with others. He wants protection.

The purchase of common stocks is sometimes advocated as a means of avoiding the evils of inflation. Some advisors have even urged that policyholders withdraw the cash surrender value of their life insurance and invest the money in common stocks, but they cannot answer with certainty the question: "What stocks?" The experience of those who sought the road to ease through speculation in common stocks is all too fresh in our minds for the average man of common sense to be led astray by such advice. Even the most experienced investors in such stocks suffered staggering losses. Men who had devoted their lives to the study of investment in common stocks were wrong in their judgment. What chance has the average man, without facilities or time for study and investigation of stocks, to succeed in any such venture? Such advice substitutes pure speculation—call it gambling, if you wish—for the certainty of life insurance. The purchasing power of the money paid will vary but experience has proved that in no form of financial contract can fulfillment to the letter of the contract be depended upon more surely than in the promise of a life insurance company. There is no safer, surer provision for the future.

Permanency Is Assured

As long, therefore, as private property is protected by our government, as long as men are prompted by a sense of duty to their families and to the state to make adequate provision for those dependent upon their earning capacity, just so long will there be a demand for life insurance and just so long can you of the field forces perform your valuable service.

We should not forget, nor should we, when occasion offers, fail to emphasize, that most of the great body of life insurance laws represent only the enactment into statute of practices previously adopted by forward looking companies. There is a tendency among Americans to rush to the legislature for a statute to cure this or that evil that is often manifested only in some isolated cases and then, in the next breath, to decry legislative interference in business. The best cure for any business practice that is undesirable is a recognition of its undesirability by those who are themselves engaged in the business. We have made measurable progress in life insurance in the development of high ethical standards of business practice by the common recognition of their propriety on our own part. You in the field probably feel more keenly the irritation caused by those concerns or individuals who depart from accepted standards. Let us seek to cure these situations by moral suasion and by concert of action for the advancement of the interests of policyholders. Let us not rush to the legislature every time we think there is some evil that needs to be cured. To this end, I bespeak the continuance and development of that sympathetic understanding which has characterized the relation between the chosen officers of your splendid association and the company executives.

Professors Stage Own Presentation

Borden and Busse Add Two New Principles of Sales Strategy

SPARK TO GET INTEREST

Prospect Will Demand Details if Salesman's Approach Has Been on Right Lines

"How to Make a Sales Presentation Stay Presented," so that a business argument is unlikely to ensue, was the theme of a research report on salesmanship presented on Friday by Professors R. C. Borden and A. C. Busse of New York University.

"In a previous research report," said Professor Borden, "we outlined the strategy which our observation indicates as most successful should a business argument develop in a solicitation. The six principles outlined in that report constitute one bundle of principles of successful selling. Today we propose to complete the report with an outline of but two additional principles.

"Using the same type of consistent, critical observation as previously employed and extending the scope of our observation to include persuasion outside of the field of salesmanship, as well, we feel we can confidently advance these principles to rank in importance with the first set of principles—principles which we have seen play an important role in reshaping the sales plans of hundreds of organizations.

Follow Lecturer's Plan

"Principle Number 1 is: 'Organize your sales solicitation as a successful popular lecturer organizes his speech.' When you sit in a prospect's office and hear his invitation to 'Tell me your story' forget that you are a salesman. As you lean forward in your chair you are no longer a salesman selling a commodity or a service; you are a popular lecturer speaking from Carnegie Hall platform. And at that point begin a presentation based on the four steps employed by the popular lecturer. Here they are; so brief you could write them on your thumb nail—

"1. Ho Hum! 2. Why Bring That Up? 3. Fr' Instance. 4. So What!"

Under their dramatized method of explanation, step 1 became a vital step in the sales presentation which did not invite the prospect's attention, or permit it, demanded and guaranteed the prospect's attention. Ho Hum! became the phosphorous on the tip of a match which was lighted to emphasize the point. The audience's reaction of boredom in public speaking was likened to the prospect's initial indifference. "Ho Hum" showed the convention delegates how to overcome the first important barrier.

Another One to Overcome

"But when the platform lecturer, or the salesman, has overcome that first reaction of indifference he faces a second and equally certain reaction. Says the audience, or the prospect, silently: 'That's all very interesting, Mister, but Why Bring It Up?'

"That reaction gives the speaker-salesman a golden opportunity to 'get up his prospect's alley'—to build a bridge to prospect island—to an island of the prospect's selfish interests. And if the salesman doesn't get up his prospect's alley there isn't any reason for

We have a common objective. Let us always have a common understanding to the end that we may go forward, shoulder to shoulder, toward "What's Ahead."

going on to the next step," continued Professor Busse, as a match was again dramatically lighted to reveal that it was a bridge of sulphur on the match which carried the first quick flame of interest on to the body of the match.

"Everybody likes a parade," the speakers insisted, "and prospects like a parade of instances—they want colorful facts marshalled in platoons, like the platoons in a parade. Each statement of fact must be presented in dramatic detail and then yield to the next. And when the last for instance has marched in review be quick to recognize that the solicitation is drawing to a close. Do not be like the smoker, and here the trusty match was employed again in illustration, "who holds the body of the match too long and burns his fingers; don't walk away from a solicitation and leave your voice talking to the prospect!"

"What Do I Do Now?"

The speakers next explained the prospect's reaction, once the factual material of a solicitation has been marshalled in review.

"The prospect now asks: 'That's all very true but So What? Now what do I do?' The close of a solicitation is not so easy as it sounds—particularly where a one-call solicitation does not close

the sale. When repeated calls are required the salesman must know how to 'So What' his prospect so that he leaves the prospect at the end of each call with a clearly defined 'So This Is What You (Or I) Do' in anticipation of the next call."

At this point Professor Busse retired to the rear of the convention hall and accepted Professor Borden's challenge to make vocal the reactions of the audience as the latter launched into a brief formal platform speech as a means of illustrating the four steps in the organization of a successful speech—or sales presentation.

Following this humorous dramatization the second principle was explained: "Serve a Course Dinner—Not Goulash!" Harking back to the third step of principle number 1, the speakers explained and dramatized the right and wrong ways of marshalling facts in platoons so that the commodity, or service, was sold in units—each unit dealing with one aspect of the item for sale, completely presented.

John Hancock Party

The John Hancock had a party for its representatives Wednesday night, with Byron K. Elliott, general counsel, and Henry Schafer, superintendent of general agents, officiating.

A Great Mid-Western

Institution

Dedicated to unsurpassed service in everything pertaining to the business of Life Insurance.

Offers:

- Policies for men, women and children.
- Modern plans, options and provisions.
- Traditionally prompt service on claims.
- Financial strength and stability.
- Helpful, understanding service to the members of its Agency Organization.

H. K. Lindsley, President
J. H. Stewart, Jr., Vice-President-Treasurer
F. B. Jacobshagen, Secretary

The Farmers & Bankers LIFE INSURANCE COMPANY

Wichita, Kansas

"Policies that Protect"

RADIO STATION KFBI--1050 KILOCYCLES

Finds an "Out" on Estate, Inheritance, Gift Taxes

By JOHN MORRELL,
Equitable, N. Y., Chicago.

Just as life insurance helps us hedge against the uncertainties of dying too soon, so annuities help us hedge against the problem of living too long. Six years ago I had never sold an annuity of any kind. I had given no thought to the subject of life insurance except as it had to do with the death benefits. The possibility of the application of life insurance for the living individual just didn't enter my mind. It seems to me six years ago the American people were engaged in a struggle to make a lot of money quickly. They weren't interested in anything pertaining to sound and safe investments.

A lot of things have happened in those last six years. I stood at my own window in La Salle street and looked at 15,000 scrambling people going into the Continental and First National banks. I sat at the Union League club a few years ago and listened to Winston Churchill say the United States would follow Great Britain and France off the gold standard. You have seen a lot of these things.

Three Different Phases

I am going to talk about three different phases of the application of annuities. I am coming on down through this problem of dying too soon. Then I am going to talk about the problem of living too long, and then I am going to talk about the problem which to me is the most interesting of all, this phase of the application of life insurance, and annuities, and that is the problem today of hedging against accumulation.

You know when we sit down in the quiet hours of a man's home today we help him think through the problem of getting up a will to do the things he wants done. We say we will set up a testamentary trust. We will set up a will which at the time of his death will provide a life income to his wife as long as she lives single. In the event she is married, we will give her half of the income and the children the other half. When she dies the children receive all of the income up to the ages we stipulate, when the principal shall be distributed to them. So we work out the plan of distribution.

Divide Up the Life Insurance

We make certain the goal of accomplishment he is working out will be definitely fulfilled and that the things he is trying to do will be worked out under that particular plan of distribution. Then we say to him, all right, let's take the life insurance that you have. We will divide it into two parts. We will take half of that \$100,000 which he has of life insurance, \$50,000, and set it up in the form of a life insurance trust. We will put a clause in the life insurance trust that gives the right to buy from the estate goods, securities, of which he died possessed in order to get some cash from that life insurance trust to pay the federal and state inheritance taxes which indebtedness does not exist today because he is alive, but which immediately at the time of his death come into existence.

So we work it out and take the balance of the life insurance and set it up under separate, individual, hard, fast contractual relationships of beneficiary clauses where there can be no speculative element at all, and then we go a little bit further and say, all right we have worked out this will.

Beneficiary Buys Stock

We have set up the life insurance the way it should be set up. We will take the retirement of stock agreement and work out a means whereby his statement will be taken out of the business

in which it doesn't belong. We will have the life insurance on his life carried by this corporation payable not into the business at the time of his death but to a fiduciary trustee so that at the time of his death the proceeds shall be used to buy from his estate the stock of which he died possessed, on the basis of the book value of the stock, but not less than what we set up under the retirement of stock agreement.

We have set up three or four separate, individual entities. We have worked out the will and set up the life insurance and worked out the retirement of stock agreement and there we say, all right, let's set up a living trust and so in a few minutes I will review the laws of living trusts, thinking of course always about the laws under the state of Illinois, because those are the laws I know most about, and try the idea of setting up another entity from the standpoint of living trusts.

Buy Money on Installment Plan

When we have worked all of those things out, we say, what is the definition of life insurance? Well, that definition is a definition which says that life insurance is nothing but buying future money on the installment plan. If we work out the plan of distribution and you don't live long enough to accumulate all the things you want to do for those dependent upon you, the life insurance will do the things that ought to be done. So we say, let's go a little further with this problem of living too long and when we say that we say to this fellow, right here you don't know of a single business perhaps but what is setting up on the books of that business every month that goes by a reserve for depreciation. You know it is good accounting in any business to set up a reserve for depreciation of the property values. Every month that goes by in that business, that individual business man is setting up in his books a reserve for depreciation which reserve is sufficiently large over the lifetime of that building and the equipment to provide the funds at the time of the death of that building and its equipment to replace the building and to buy new equipment.

Reserve for Depreciation

Just so that individual is wearing out, too, and so the great day will come, perhaps at age 65 or 70, when that physical self will have no earning capacity, so we say, all right, if it is good accounting in business to set up a reserve for depreciation of property values, why isn't it good accounting today for you before it is too late to set up a reserve for the depreciation of your own physical self by means of an annual premium deposit annuity on your life so when that day comes that reserve so set up will be sufficient to replace your own physical self, your property values as far as your personal business is concerned.

So we set up this annual premium deposit annuity and we go further. We say we have set up the will and this plan of distribution, worked out enough life insurance to do the things that ought to be done. We set up the reserve for the depreciation of his own physical self in the form of an annual premium deposit annuity and we say isn't it a shame in this country today that we have reached the point where we have to hedge against one thing further? We hedge against dying too soon and living too long and now we have to hedge against one more thing, the problem of hedging and to help that business man in hedging against the problem of accumulation.

Can't Have Inflation

I don't know how you feel about this administration and the problem of inflation, but if you study it through you

"I
Tell
Stories"

"I don't sell insurance. I tell stories."

So said one of State Mutual's own producers, a headline speaker at its memorable 90th Anniversary Convention in June.

He illustrated with this picture: "A cute young wife with blonde hair; a nice young fellow, doing well; not much income; two curly headed youngsters—a Readjustment Income policy. An automobile accident; \$1,000 for burial expenses and some left over; \$100 a month for two years; \$35 a month for three years more.

"Now, paint your own picture. There is the story. Take it and use it. That is parcel selling. It's better by far than no selling at all. Better for whom? For you, the agent? No, but for that cute young widow with the two curly headed children, and perhaps even for Daddy, who never came home again, even on pay day, after that truck struck him."

STATE MUTUAL LIFE
ASSURANCE COMPANY

of

Worcester - - - Massachusetts

Incorporated 1844

will begin to see that inflation can't take place in this country. Go over to Germany and France and understand the conditions which existed there at the time they had inflation. Well, over in this country the conditions are directly opposite.

You go on down and you think these things through and say, all right here, from the standpoint of this problem of inflation, it can't take place, and the administration is gradually emphasizing the point that they know, too, that inflation can't take place.

Tax Doors Closing

When you get down to this business man and think through with him, you begin to say, all right, the doors are closing against the normal business man. Go back to 1933, at which time the Illinois inheritance tax law was revised. Prior to July 1, 1933, a man in Illinois could take a certain amount of securities and bonds and real estate and set up the securities in the form of a revocable trust. He could reserve the right to revoke the trust or instruct the trustee how the income should be paid to a beneficiary, or to sell the property and replace it by cash. He reserved all the rights incident to ownership and yet if he died without exercising the right or revocation, there was no Illinois inheritance tax but it was subject to the federal estate tax laws under the public goods act.

If an individual set up an irrevocable trust before July 1, 1933, it was all subject to the federal estate tax where he reserved rights incident to ownership. July 1, 1933, came along and the inheritance tax law was revised and it said even if an individual set up a revocable trust and reserved the right to revoke that trust directly or indirectly up to the time of his death, it was all subject to the Illinois inheritance tax and then the door was closed again.

Then along came the 1934 revenue law which struck out the four words, which said even though the beneficiary

received the income, the income was taxable to the income tax return of the donor, and so the door was closed again.

Suppose I took a certain amount of property today and set it up for the benefit of my son who we will say is 21 years of age, and I reserved the right to revoke the trust with the consent of that son. That son is deemed to have a substantial adverse interest. Up to the time of the 1934 revenue law and a subsequent ruling after that law, even if I set it up with the right to revoke with the consent of someone having an adverse interest, then the income was taxable in the income tax return of the beneficiary instead of mine, until the federal estate tax department said, "We won't go on with the national revenue department on income taxes any longer."

If an individual sets up a revocable trust, revocable with the consent of someone having an adverse interest, he is going to pay the federal estate tax even though the internal revenue department says the income is taxable in the income tax return of the individual beneficiary.

Working It Out

We are now down to one thing. We are down to the problem of setting up only an irrevocable trust in order that beneficiary, in order there will be no Illinois inheritance tax and no federal estate tax, but immediately you run into the gift tax.

Under the 1932 revenue law came the gift tax, allowing an exemption of \$50,000, not to exceed \$5,000 to any one individual in any one calendar year.

There are three things that an individual should do. He should divide his thinking from this life insurance standpoint into two channels: First, what am I going to keep and what, therefore, is going to be subject to undue dissipation perhaps at the time of my death, and what am I going to give away between now and Jan. 1, 1936, in order to avoid

undue dissipation by this increase in the gift tax rates?

Gift Within Limit

Well, let us think about it. Under this gift tax an individual like myself can give to my son or to my wife not to exceed \$5,000 in any one calendar year. I can give the \$5,000 to my son. My wife can give him \$5,000. He can buy life insurance on my life and own the contracts himself and then I have siphoned down my estate and centralized a total of not to exceed \$5,000. I can give the \$5,000 to my wife and let her give the \$5,000 to that son and let him buy an annual premium totaling \$10,000 on my life.

Let us think a little bit further. Let us think about the 106 contract from the standpoint of doing the things we want to do. Suppose a man says, "I will give you a check for \$106,000." Mark you in the last eight days I have received a little over \$880,000 in cash. I tell you that just because I will cause you to think about this \$106,000 contract even though the companies don't want it. Between now and the end of the year, the companies will take it for us to make enough money so if we don't work next year, it won't make much difference.

The 106 Contract

A man comes to me and says, "I will give you a check for \$106,000." He is 59 years of age. Equitable says at 59 we will take \$71,000 of that and buy for you a single premium ordinary life policy on which there are no subsequent premiums to pay and from which you will receive a dividend return however small it might be in subsequent years. The balance of the \$106,000, the difference between \$71,000 and \$106,000 is \$35,000, which Equitable uses to buy for him a single premium, life annuity, which commences immediately, which income from the annuity plus the dividends on the policy gives him perhaps a return of 3 per cent, which return is free from income tax except for 3 per

cent of that portion which is paid for annuity until such time as he has received all of the amount paid for the annuity. Watch what happens.

Results After Death

The man dies. He has taken \$106,000 of stocks and bonds and real estate that otherwise at the time of his death if he hadn't given me the check would have been on the top bracket of his federal and state inheritance taxes. He gave me the check and then he died after having the single premium life annuity. Now we know that about \$40,000 of course is subject to federal estate taxes, where the individual reserves to himself rights incident to ownership. As soon as that single premium ordinary life policy comes through, we take the ordinary life policy and give it away for the amount of the cash value, pay the gift tax rate on it, whatever it shall be, get it out of the estate, if he hasn't taken the \$50,000 exemption which holds until Jan. 1, and get it out.

Now the man dies and immediately, of course, the paid-up policy which he bought for \$71,000 buys \$100,000 at the time of his death which \$100,000 is left on deposit with Equitable and he will then give to the wife and children the principal distributed at some age in the future. Watch what has happened. At the time of his death that automatically converted that \$106,000 if you please, from a taxable kind of estate which stocks and bonds would have been into a nontaxable kind of estate, \$100,000 of the death claim, even above the \$40,000 exemption, because we took the policy and gave it to his wife shortly after he received that contract.

Loss Against Saving

Well, what have we done? We have automatically converted a taxable kind of estate, the \$106,000 of stocks and bonds into a non-taxable kind of estate providing to him a definite fixed conservative kind of an income to himself as long as he lives, and at the time of his death,

Greetings

To DES MOINES

From CHICAGO



ALEXANDER E. PATTERSON

GENERAL AGENT

PENN MUTUAL LIFE INSURANCE COMPANY

120 SO. LA SALLE ST.

CHICAGO

FRANKLIN 7575

Forward Together!

NEXT year this Company will celebrate its first quarter-century of service. It has won the confidence and good will of westerners. It reviews a record of steady, conservative progress, yet constant modernization of views and methods.

*Direct liberal home office contracts for fieldmen. *Non-forfeitable renewals. *A complete line of policies. *Juvenile, women, group, wholesale, accident and health. *Proven organized selling plans. *Dynamic presentations. *Sales aids for every situation. *Understanding home office cooperation. *Really helpful instruction and supervision for new men.

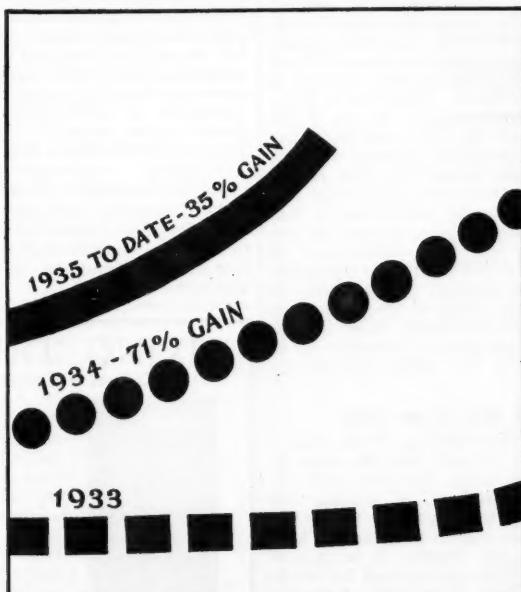
Competent, faithful underwriting in the field means permanent progress. Congratulations to the National Association of Life Underwriters.

California-Western States Life Insurance Company

SACRAMENTO

CALIFORNIA

GAIN!



The MIDWEST Life
INSURANCE COMPANY
of Lincoln, Nebraska

Achievement--

An Increase of \$34,410,379.00 insurance in force during 1934. More than \$14,000,000.00 Increase in Assets and \$5,500,000.00 Increase in Surplus from December 31, 1929, to December 31, 1934.

A substantial Increase registered during the first six months of 1935.

Grown to a half billion dollar Company in 30 years.

Excellence--

The prestige that arises from financial stability and years of fair dealing is enjoyed by each ANICO representative. Practical and attractive selling features open new avenues of business and complete the equipment of the man in the field.

Power--

\$124.58 in Assets for each \$100.00 of liabilities.
\$52,721,865.75 in Assets and \$10,401,100.02 in Surplus on December 31, 1934.

Plans--

Agency Convention announced for 1936.
Extension of agency development in both old and new territories.

Ordinary and Industrial

AMERICAN NATIONAL INSURANCE COMPANY GALVESTON, TEXAS

W. L. MOODY, JR., President
SHEARN MOODY, Vice-President

F. B. MARKLE, Vice-President
W. L. MOODY, III, Vice-President

W. J. SHAW, Secretary (In Charge Industrial Agencies)

E. L. ROBERTS, Vice-President (In Charge Ordinary Agencies)

New

NEW interest basis, new rates, new rate book, new policies—and a number of new and effective working plans went into the hands of Fidelity's field on June first. New conditions have been met with new selling tools.

Sharper Tools

These changes offer men in the Fidelity field not only new tools with which to meet modern conditions, but sharper ones as well—Income for Life, Family Income, Family Maintenance and an Adjustment Plan which fits today's economic picture particularly well.

Write for information on Fidelity contracts.

The FIDELITY MUTUAL LIFE INSURANCE COMPANY PHILADELPHIA

WALTER LEMAR TALBOT, President

Members of the National Association of Life Underwriters

- Congratulations upon the constructive achievement which has shone through every page of your organization's 46-year history.
- Congratulations, too, upon the great increase in membership which has contributed to the success of your past fiscal year.
- It is a matter of especial pride to the Pacific Mutual that throughout the country members of its field force are active on behalf of their Association.
- The Pacific Mutual's own Agency Association, meeting in Des Moines immediately prior to the opening of the National Convention, will carry back to sixty or more agencies, scattered across the land, the splendid inspiration of your sessions.

The
Pacific Mutual Life
Insurance Company OF CALIFORNIA
Founded 1868
GEORGE I. COCHRAN, President

Home Office—
Los Angeles

Assets—
Over \$205,000,000

passing his \$100,000 in the way he wants it to go.

Now you might say what happens to the \$6,000? It is a total loss so far as I am concerned. Well, it is a darned cheap fee when you go to the trust company or any other fiduciary trustee and ask them to have \$100,000 for the balance of your life and the life of your wife and children and the guarantee of the distribution of the principal at some future date. You can't get it done for \$6,000 but it is a cheap fiduciary trustee.

Let us say all right, it is a total loss from his standpoint at the time of his death if that \$106,000 were on the top brackets of his federal and state inheritance taxes, it might cost some 50 percent of that \$106,000 for him to die. So we count the taxes on that \$106,000 might be \$50,000 some \$44,000 by converting that taxable kind of estate into a non-taxable kind of estate.

Operation of Gift Plan

Let me go on to one thing I worked out a few years ago when the gift tax was passed. I spent a whole half day with seven of the legal department of the Equitable a short time ago on this one particular problem of taking out annuities on the lives of individual members of the family when the father is the purchaser. That is the third step.

I have just three simple methods of working things out between now and the end of the year, because the time is short and it ought to be a simple method of procedure. First is, of course, the life insurance is to be purchased by an individual member of the family where the funds are given by the father under the \$5,000 exemption whereby the children buy a certain amount of life insurance on his life; second, is the \$106,000 combination. The third step, of course, is where the father says, "All right, here I would like to give to my son or daughter \$5,000 in any one calendar year. I would like to give them a certain amount each year but I don't want to give them each a certain amount of cash because I can't control that during my lifetime." So he buys an annual premium deposit annuity on the life of his own child, whereby he is the purchaser of that contract.

Father Makes Deposits

The father says, "All right, I will make the subsequent deposits of \$5,000 in any one calendar year." We will suppose that you know this father lives for twenty years. For twenty years he deposited \$5,000 in that annual premium deposit annuity. At the end of the twenty years he has put in \$100,000. We will assume it compounds at a normal rate and there is a total of \$125,000 in that contract at the time of his death. Now here is \$125,000 in a contract not upon his life, if you please, but upon the life of his child, but mark you all during his lifetime when he was making the deposits in that annual premium deposit annuity that child had the right to take the cash value in that contract only with the consent of the father. Now the legal department of Equitable ruled this way: that the father lost all rights incident to ownership in the event of the death of the child when that child died the death claim in that annual premium deposit annuity is to be paid not to the father but to the mother.

Rights Are In the Child

All during the lifetime of the father the child, not himself, has the right to take that cash value, but only with the consent of the father. All during this lifetime the father is putting the \$5,000 in and it is accruing to principal. There is no income tax return. It is plowed under as the years go by and he winds up with \$125,000 at the end of twenty years at which time we will assume his death occurs. The child could take the \$125,000 at the time of his death and draw out the cash and dissipate it, I would say, and the contract would have missed fire, that it didn't accomplish the desired purpose of that father in making such a gift to the child.

But mark you this: When that father dies, that child has the right to surrender the contract, if the child is sorely in need

Convention Host



M. C. NELSON
Chairman Des Moines Executive Committee

of some sort of income, and draw down a life income under option three, which is a twenty years certain option, as long as the child shall live.

Escapes Three Taxes

What kind of a living trust is that? It is a gift. There is no gift tax because it is less than \$5,000. There have been no costs of administration at the time of death. There has been no current income tax as the years went by. There is no inheritance taxes or federal estate taxes. It accomplishes everything that we used to be able to accomplish under the laws of living trusts before they closed the door in 1934 under that revenue law.

Now you begin to see what a wonderful kind of living trust that arrangement makes. Now at the end of this year I am going to try in Chicago to get hold of every individual who has four or five children, get the dates of birth and order out the contracts and take them out with the special beneficiary clause in it. I delivered at least, it seems to me, 150 of those contracts, some of them small, maybe for only five units of annual deposit retirement annuity, but how easy it is to sell that contract and how much easier it will be now because of the increase in the gift tax rate, still with the exemption of \$5,000 and with a big increase coming along on the first day of January of this next year.

A. C. Larson's Twenty-ninth

A. C. Larson, manager at Madison, Wis., for the Central Life of Iowa went to his first convention 29 years ago. He is a delegate from the Madison association again this year.

LIVING TRUSTS

By Gilbert T. Stephenson

COVERS



Living trusts as business enterprises, purposes served by living trusts, by life insurance trusts; legal aspects, tax features, forms of trust agreements, forms of living trust agreements, and forms of funded and unfunded life insurance trust agreements.

Order from

The National Underwriter, 175 W. Jackson Blvd., Chicago.

Price \$3.75 Postpaid

Public Education Great Need Today

(CONTINUED FROM PAGE 7)

What a gospel that is to preach, and how inadequately, how ineffectively, we have preached it; except, of course, in our individual sales presentations. A responsibility rests upon the institution of life insurance and upon its field representatives which goes far beyond the obligation to sell as many life insurance contracts as possible.

Social Security Act

Take one recent development as an illustration. The government has just set up a new social security program under the much talked of federal social security act. We find ourselves in complete accord with its objectives. But what an opportunity that very program gives us to go out and tell the people that for more than a hundred years the institution of life insurance has existed for the sole purpose of providing economic security and financial independence; that there is no conflict between the social betterment program thus initiated by the government and the institution of life insurance as a private enterprise. That social insurance is not intended to take the place of life insurance and annuities, but rather to supplement it among those who are handicapped and among the victims of industry and those unable to care for themselves. That the days of private initiative and personal thrift are not ended, and that the institution of life insurance stands preeminent among the social and financial institutions of America, in the confidence of the people, because of its marvelous record of devoted trusteeship.

But even if the government were attempting to do the same thing that we are doing—which it is not—I want to ask you whose fault would that have been? In my opinion, not the government's, but our own, for there must be something wrong in our selling philosophy, if, in the thousands of interviews daily which life insurance agents have with members of the public, they have not been able to make people conscious of the power of life insurance, not only as the ideal old-age income method, but also as the only safe and sure way of placing a man and his family in a great financial safety-zone where they can stand protected against all the rough knocks of financial misfortune and uncertainty which destroy the peace and happiness of homes that are not thus protected.

Failure to Institutionalize

And why is this true? I believe that one big reason is that we have failed to institutionalize our business. In the course of the various hearings held upon the social security act, when life insurance was referred to at all, it was spoken of as if it were a commercial business engaged in the sale of merchandise. We had failed to give those men sitting around those conference tables any adequate conception of life insurance as an institution, so that it was not their fault if they looked upon it as a business in the same sense that a chain store is a business and that our great metropolitan banks are financial organizations for private profit. When they think of business, they think of corporations and when they think of corporations they think of private profit and there is very little understanding of life insurance as an institution deeply embedded in our social and economic life. There is very little appreciation of the fact that life insurance companies are organized by the people, are owned by the people, serve at the behest and for the benefit of the people, are controlled by strict supervisors elected by the people, and that they have been set up only because civilization faces a problem which can be solved in no other way.

If we, during the past 10 years, through a better education of our own

field forces and, through them, of the general public, had institutionalized our business, then there would not have been the danger, during recent weeks, of the fact being overlooked that the American public had reared in their midst and upon their own initiative a great trusteeship, which is rendering to its millions of beneficiaries a truly remarkable old-age service.

Awkward Terminology

Another reason why life insurance is not understood, to say nothing of lack of appreciation, is because of the awkward terminology upon which we have insisted. Have you ever stopped to think that a great majority of your contracts are named upon the basis of the premium, payment plan and not upon the basis of the settlement provisions? We have been talking ordinary life, 20 pay life, single premium. Instead of naming our policies in the terms of what they would do for our people, we have been naming them in terms of what the policyholder is expected to do for the company.

Coupled with this fact has been our continual and constant emphasis upon the face of the policy. While it is true that we are rapidly emerging into the income stage of selling and of thinking, yet the fact remains that the average sales approach is built around \$1,000 or

PROGRESSIVE STRONG

Write if interested in a
Permanent Connection



**NORTH AMERICAN LIFE INSURANCE COMPANY
OF CHICAGO.**

E. S. ASHBROOK
President

John H. McNamara
Founder

PAUL McNAMARA
Vice-President

North American Building, Chicago, Illinois



Supreme Confidence

The supreme confidence in which life insurance is held by the American people has no counterpart in history. The words "Life Insurance" have become a synonym for "Security". Never before have the people so unanimously chosen one single sanctuary for their own financial independence and assurance of economic welfare for their loved ones. This confidence has been justified by the incomparable record of the life insurance companies.

The officers of the Peoples Life Insurance Company devote their entire time and attention to its business. The organization has been held intact through the grueling experiences of the past few years and is today better equipped to serve intelligently the best interests of policyholder and agent. The record and financial statement of the company speak for themselves.

If you are interested in life insurance, as agent or policyholder, you will find it pays to be friendly with the

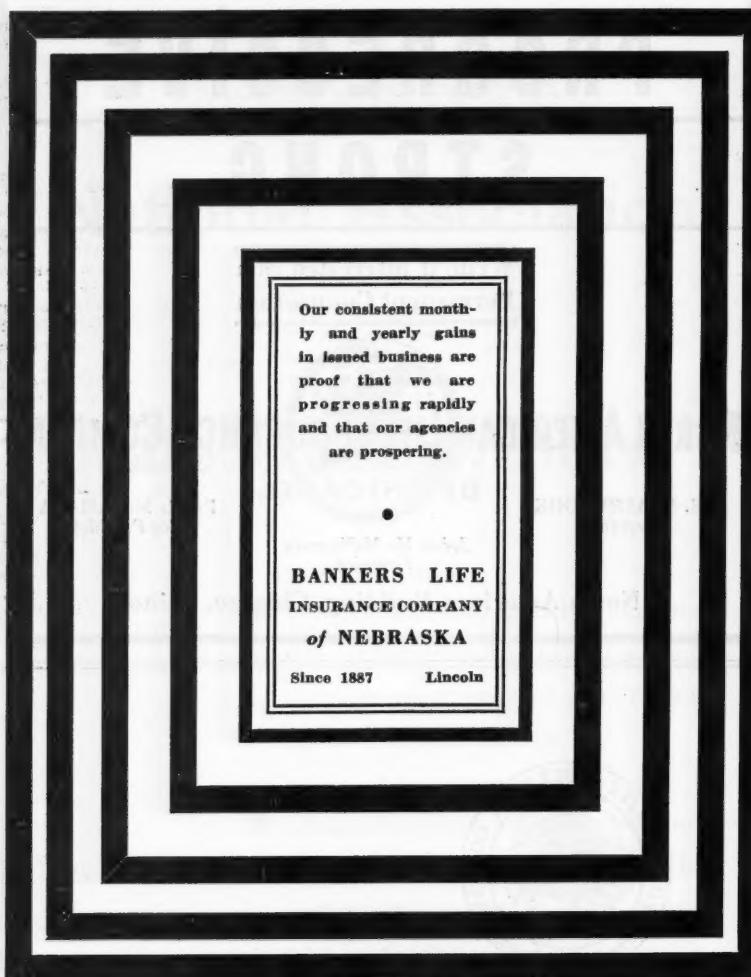
PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

FRANKFORT



INDIANA



\$2,000 or \$5,000. If contracts had been sold solely upon the basis of the income that would be provided for the family and the income that would be available at age 65, then our people would think of life insurance as a great service-house set up to provide income, rather than as a business which will issue a contract paying a certain sum of money upon the happening of an uncertain event.

Change Comes Slowly

In one sense, life insurance is scarcely to be blamed for this omission, because the institution is so big and has grown so fast that change comes slowly upon it. But if we wish to educate our public now instead of at the acute moment when a crisis is upon us, then we cannot do better than to teach ourselves and our people to think of life insurance solely and simply in terms of income.

Then the over-emphasis upon the investment element in life insurance has been perhaps unfortunate. We, too, have yielded to the popular clamor and have published a great deal of material which presented life insurance as an investment.

Overlook Original Objective

While it is true that life insurance is an ideal investment, when we judge it according to our own standards of an investment, yet it is likewise true that if we pursue this philosophy of life insurance too far, we lose sight of its original objective. In the last analysis, that portion of the return to the beneficiary which arises because of the operation of the mortality factor under the system which life insurance alone can provide, is not investment nor property in the ordinary sense, and we stretch the premise quite too far when in our eagerness to build up a sales argument we attempt to include that portion as a true investment.

It is largely a matter of emphasis. We must return again to the primary function of life insurance, namely, the offset to the loss of the human life-

value through death, disability or old age.

The entire service of life insurance, fortunately, can be embraced in a single concept—it lives its life and does its work with the human life-value. It does not come into operation until the human life-value is affected. We must return to the simple and fundamental realization that life insurance has one primary objective. While a man is alive and well and in the strength of his youth or maturity, it does not function excepting in a very incidental way. It functions only at the moment when the human life-value is impaired or taken away. Certainly it is a different form of property and as such is entitled to a different treatment at the hands of court and of legislatures.

You must desert selling frills and move back again to the high plane of protection for family now and protection for self in the future. You descended from that plane when you presented life insurance from the standpoint of its incidental services. You must transform your service from an excuse for selling into an ideal which can be pursued regardless of the business written.

Public Education Campaign

The need is for a campaign of public education and a program of public relations which will bring vividly and convincingly to the American public, the social significance of life insurance. We must not wait until we are confronted with some crisis which strikes a blow at the very foundation of the structure.

Perhaps my viewpoint is warped and my enthusiasm is overstimulated by recent national developments. If so, discount both of them all you want to. And don't for one moment, please, think that I am making in any sense a political argument.

I was deeply impressed by a general desire to be informed as to the effect of various proposals on individual owners of life insurance policies. Every man in public office wants to feel the

You Want » » More than a Contract

- a sound company
- low cost insurance
- liberal commissions
- unrestricted territory

Agents of **Guardian Life**
Insurance Company
enjoy these features to fullest
possible extent.

For information, write
Director New Business
Home Office, Madison, Wis.

MEASURED
by any standard the
GUARANTY LIFE OF IOWA
ranks high

We bid the National Association of Life Underwriters a warm welcome to Iowa, the tall corn state.

LEE J. DOUGHERTY, PRESIDENT AND GEN'L MGR.

**GUARANTY LIFE
INSURANCE COMPANY**
Davenport, Iowa

3rd Day

pulse and know the temper of his people, and not be guilty of tearing down their last financial bulwark.

Policyholder Best Friend

We have no right to expect, however, that the public is just automatically well-versed in the social justices of life insurance. We owe it to them to tell them what we know. And if they know, and then if there shall come a contest between property rights and human rights, then the best friend of life insurance will not be the agent, nor the company, but the policyholder.

Life insurance leaders have been wise enough to train what are believed to be the world's best salesmen. They are able to go out and, working against the human tendency to procrastinate and against the selfish instincts which would lead a man and his family to enjoy today those sums which should be set aside for tomorrow, persuade him to make provision through life insurance for future needs. Surely that same body of salesmen can be taught to tell the life insurance story in such a way that the public will become our best friend.

Continual Work Needed

This program of education cannot be left until the eleventh hour, when some critical situation develops. Our story cannot be told in that way or under those conditions. Anything one says or does in such a situation is too apt to be misconstrued.

The institution has done a very effective piece of work during seven days of each of the last three years in life insurance week. But it is not enough to devote one week out of 52 to education of the public. It must be a sustained, continuous program.

What a story we have to tell.

That individual courage and faith and fortitude, constitute the answer to our present human distress; that there is such a thing as the responsibility of the Christian conscience for this economic crisis, and we must lay the blame on ourselves, the real culprits—not on the so-called capitalistic system.

Spirit of Self-Help

That there is no warrant for the abandonment of our traditional American spirit of self-help, and that the responsibility of government is not to try to act as a Santa Claus, nor to take money from the pockets of the efficient to bolster up the inefficient.

That if it is the function of government to give assurance that people shall not starve in their old age, then it is also a function of government not to kill opportunities for thrift and the accumulation of the savings which make such results attainable. That this is impossible, if government is to become the master of its people, and not remain its servant. That paternalism does not beget self-reliance nor promote thrift.

Social Betterment

That social betterment comes out of hard work, not out of enforced leisure—out of savings and prudent investments that are protected against sudden devaluations and ill-considered taxation.

That the cardinal principle of the American economic system is production for wealth, production for savings, yes, production for profit, in order that employment may be adequate and the standards of living for all of us raised to higher and higher levels of human comfort and satisfaction.

That hard work of itself never injured anybody, but that worry and fretting and over-strain connected with it may, indeed, be harmful, and that life insurance is the greatest eliminator of fear and worry the world has ever known.

Preventing Recurrence

That the best way to prevent the recurrence of such a crisis is for the American people to set about providing systematically and intelligently for their own economic future. And as business improves, as opportunities for labor multiply, and as the old standards of community values are restored,

that is going to be a constructive, virile message to the American people.

We must tell them also that human life-values, that is, the character and ability and earning power of individuals, constitute a far greater asset to this nation than all its pigs, peanuts and potatoes, and that in the years to come more attention must be paid by individuals, and more encouragement must be given by government, to the only factor in our whole national machinery which seeks, by way of partial indemnity, to replace those human life-values.

Productive Life-Values

That there should be as much concern over the loss of productive life-values as over the loss of foreign trade or the falling off of consumer production. That it was because this life-value loss, uncompensated, was intolerable, that civilization created life insurance.

That the pegging of the price of wheat and cotton is no more important than the safeguarding of life insurance reserves, and that the perpetuation of family relationship—the love and affection of human beings—far transcends the maintenance of trade and commerce.

That life insurance offers the only true and tried, compulsory method of

accumulating an estate, out of current earnings, against the time when earning power may be suspended or cut off. That thus, and only thus, can the individual be assured in his discharge of such financial obligations as the education of his children, adequate provision for his own old age support, and the accumulation of an emergency fund to be available when the crisis comes.

Individual Achievement

That the competent life underwriter holds in his hand the torch of individual achievement and personal security. That he has it within his power, more than any other person, to reconstruct the economic order, so that destitution and want and hunger and privation shall not stalk again in this land of abundant resources.

That life insurance shall, not today, not tomorrow, but down the years, be used to underwrite the individual security and happiness of the American people. And that anything which strikes a blow at the institution of life insurance will cause more suffering than it relieves, and will retard the effort to solve economic problems by intelligent planning.

That life insurance is highly charged with the common welfare and bears tremendous social implications. It is a

method of relieving the state and the nation of the support of a large number of its citizens. The motive which impels a man to utilize this modern tool of finance and out of today's sacrifice assure his family of financial independence, at least during the period of their dependency, is one of the finest urges of modern civilization.

Let's tell the story—that life insurance offers to America today and for the future, more than any other economic factor, a society of individuals made strong, made confident, made proud. And such individuals make the world; the rest are just free-riders.

That is your mission. With a membership of 25,000, the organized life underwriters of America are equipped to spread that gospel as they have never been before. It is your responsibility to tell it to the world. If you meet that challenge, 63 million Americans cannot and will not be wronged.

Connecticut Mutual Round Table

The 18 or so general agents of the Connecticut Mutual in attendance gathered for luncheon and round table discussion Thursday. The head office was represented by Vincent B. Coffin, superintendent of agencies, and K. H. Mathus, supervisor of publications.

CHECK!

- ✓ Why boast about attractive agency contracts? Every successful, alert company has them.
- ✓ Why ballyhoo over a collection of unique policies? Every aggressive, properly equipped company has them.
- ✓ Why brag about up-to-date sales plans and material? Every efficiently managed company has them.

—Then wherein lies the difference between companies?

It lies in Character, Personality, and Ideals!

YOU want a company that recognizes you as an important factor in its organization.

YOU want to feel that you are a respected, personally-known member of a live and pulsating human force—not a number in a machine.

YOU want a warm spirit of friendliness and good-fellowship throughout the organization of which you are a part.

YOU want, in a word, to be a man among men and enjoy individuality and life—not to be allowed to feel small, unrecognized, ignored.

Why not give a thought to the

AMERICAN CENTRAL LIFE INSURANCE COMPANY

Established 1899

Indianapolis

"GUARANTEED BENEFITS—GUARANTEED LOW COST"

Increase in Policy Size Is Made Possible Through Package Sales

(CONTINUED FROM PAGE 8)

come for her and her children, thus relieving me of the responsibility, in part at least, of providing for them." The case was shortly closed for an amount in excess of \$40,000.

Struck the Soft Spot

This man was perhaps better than an average buyer, but his buying was about over with. He was still a friend, a good policy-holder, but carried a substantial life insurance program and felt he was through buying more. Yet he had the ability to pay and when I struck his soft spot, which was his daughter, he was most interested and a good sale resulted. It was a package sale to a good buyer. The same idea would apply in smaller amounts and I recommend that you see some of your friends who have young married daughters partially dependent on the parents for support if the young husband should die.

Shortly following the war, I started in this business. We had been through an influenza epidemic, the soldiers were home and most of them insured under the war veterans act and people generally were life insurance minded. I remember well a number of sales I made that first year. They weren't sales, I was simply taking orders because people were scared and the war enthusiasm was still in their veins.

Then followed a period of change. I like to call it the underwriters professional period. Somebody told us we were not life insurance agents—we were men of the profession. Our business had outgrown its more simple raiment and we should put on robes of velvet and measure up to our dignified calling. This worked pretty well and then along came the depression. How quickly everything changed and how suddenly we realized that the ethereal idea of our professional position was a myth. We worried along through 1930 and '31, trying to get a new slant on things and then the companies we represented began to realize that if something wasn't done pretty soon, the high-collared professional sales organization they had depended on for business was going broke by leaps and bounds unless something was done about it.

Merchandising the Product

And so along in 1932 and '33 came the greatest event in life insurance history. The companies realized that the selling organization must be taught to merchandise their product the same as any other article. Then followed a broadside of national advertising by the major companies, advertising directed not to the size and strength of the companies themselves, but designed to influence the emotional reactions of

people—to build ideas as to what life insurance could do and how it could be used to provide the many comforts of life both now and after. Supplementing this came the radio, all directed toward the goal of merchandising our product—creating customer interest, if you please.

Having started this back-ground of influence through national advertising, the next step was to gear up the field organization. That brought on the individual sales presentation forms, forms to be used in the specific presentation of ideas such as perpetuation of salary for a year perhaps, educational insurance, mortgage policies, clean-up policies, retirement plans. Package sales for average buyers—bringing home to the average man, first emotional customer interest through advertising, then going to him with life insurance dressed up in special packages, attractive ideas built around him and his family instead of the drab funeral-dirge efforts to get business. A new sales technique, bringing out into the open what life insurance really will do for people, attractively presented and merchandised in a new package.

Four Types of Prospects

There are four general types of prospects. It has always been my practice to place a given prospect in one of these groups.

The first and probably the most numerous is the small buyer who needs a policy for clean-up purposes, specific liquidation of a small but persistent indebtedness or some other need for cash in event of his or her death.

The second are those who must plan

Presents Candidates for
C. L. U. at the Conference



DR. DAVID McCAHAN
Dean of American College

for some sort of continued income to their families in case of their death. Modern underwriting has materially changed the solicitation of this class. Years ago about the only type of income selling we did was to have a policy paid to the beneficiary in so many guaranteed monthly installments

Greetings from NEBRASKA to the 46th Annual Convention of the National Association of Life Underwriters

LINCOLN LIBERTY LIFE INSURANCE COMPANY

FINANCIAL INDEPENDENCE ASSURED

Through the Company's

1935 "New Deal Contract"

Write JOS. ALBIN, Sec'y and Gen. Mgr.
LINCOLN, NEBRASKA

THE SECURITY MUTUAL LIFE INSURANCE COMPANY

of

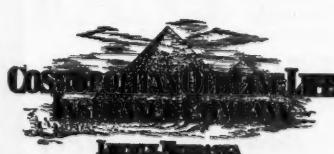
LINCOLN, NEBRASKA

DES MOINES

The Life Insurance companies shown here whose Home Offices are located in the neighboring state of Nebraska join with the entire insurance fraternity of the middle-west in welcoming Life Underwriters to Des Moines. Because of you Life Insurance as an Institution occupies its enviable niche today.

Greetings to all Life Underwriters assembled at Des Moines from this thoroughly American Company—American in name, spirit and business methods.

American States Life Insurance Company
612 SHARP BLDG.
LINCOLN, NEB.



and in a few cases a continuous life annuity income. In recent years the step-up system of income selling has been more pronounced because it appealed to the buyer and he could understand it better. For example, if we are dealing with a young family man who has a salary of \$150 a month, we can now approach him with the thought that he can project this salary on to his family for a few years by the use of only a small additional premium outlay. Then as his income increases, he can extend the time this salary will continue until eventually it will carry on during the dependency of his children. With this general thought in mind came the still more modern form of family income policy, which amplifies still further the availability of income to the family during the high risk period while the children are dependent. The added feature of having something left for his wife after this intervening period has been one of strong appeal to average folks and has resulted in a much greater appreciation of the desirability of life insurance. It is a new package for the average buyer.

Package with Emotional Appeal

Today the plan of selling income has been simplified so that prospects can understand what they are buying. It has been modernized into a package that has emotional appeal. It is practical and within the ability of the average man to pay for. Is it any wonder that most companies report a very much larger increase in the amount of insurance under some form of optional income settlement? And what an opportunity it offers to increase that average application!

The third class is the retirement income prospect. This group is a relatively new source of business. Doubtless if you were an agent prior to 1929, you will recall very few people were thinking in terms of what provision they were making for later years. They were too busy making money, gambling in the stock market, but the depression taught us all a big lesson. We realized money invested could be lost. We saw hundreds of folks in our own community lose life-time savings. We began to think ourselves about where the income was going to come from when we couldn't work any longer. Out of this dilemma came the retirement income idea. The companies sensing the interest which people were manifesting along this line began to build special policies for this specific purpose until today probably every life insurance company offers some form of retirement income plan. Attractive pre-approach literature began to come along, interesting human-interest pictures of a man and his wife spending their sunset years in some sort of pleasant environment. These things which we all think of as a comfortable and pleasant way to spend our later years. The package sale idea, if you please, directed to living pleasures instead of death benefits. An idea which opened up a new market for life insurance, a new service to people who were bewildered as to how they could plan for the future. A thoroughly thrilling type of selling and one which offers unlimited possibilities to increase that averaged size application.

Units of Income

Policies for retirement income purposes are, of necessity, sold in units of income rather than lump sum. You automatically raise the sights of the buyer. How often have you had some say—"Well, there wouldn't be much use in going into the proposition unless it would provide at least \$50 a month." What does that mean? A \$5,000 sale on a high premium plan. Talk retirement income to someone every day. It's everybody's problem and now is the time to take advantage of the attractive results while current interest rates are low and high-grade investment opportunities so limited.

Then we come to the fourth class. The man or woman of wealth who is faced with the inroads of taxation, both income and inheritance. The problem

Life Insurance Week in 1936

By S. T. WHATLEY
Vice-President Aetna Life

In some respects, the chairmanship of the 1936 Life Insurance Week committee appears to be an exceedingly difficult assignment. Being aware of the time, the thought, the very energetic leadership which my predecessors in that office have given to life insurance week, I find myself somewhat dubious about keeping to the part that they have established.

Eight Old Members Serve

Happily, eight of the ten members who served on the 1935 committee have graciously consented to continue on next year's directorate. You will agree, I am certain, that this is a fortunate arrangement. It gives us a group of men who have had actual and active service in the promotion of Life Insurance Week. Let me give you their names, please: Henry North, Metropolitan (and chairman of the 1934 committee); Frank Jones, Equitable; H. H. Armstrong, Travelers; H. B. Sutphen, Prudential; M. A. Linton, Provident Mutual (and chairman of the 1935 committee); L. Seton Lindsay, New York Life; John Marshall Holcombe, Jr., Life Insurance Sales Research Bureau (who has consented to act again this year as committee secretary).

Appointed as new members—and we are honored to welcome these distinguished gentlemen to our committee—are George K. Sargent, Mutual Life; O. J. Arnold, Northwestern National; T. M. Simmons, Pan American.

We are fortunate, too, in having four members of last year's publicity committee who are willing to serve again this year. These are C. V. Pickering, Aetna Life (chairman of the committee); Nelson A. White of the Provident Mutual (who did such an excellent job as chairman of the committee this year); Cyrus T. Steven, Phoenix Mutual; Earl Trangmar, Metropolitan.

Stephen A. Swisher, Jr., of the Equitable of Iowa, Karl Ljung of the Jefferson Standard, and Bobb Slattery of the Penn Mutual have accepted appointments as new members of this committee.

Committee of the Whole

There is a third committee, the members of which are far too numerous to attempt to name. They run into the thousands. And this group I think we

should call the working committee. It is composed of you who belong to the National Association—you who are so extremely agreeable to accepting the recommendations of the official committees—you who go into front line action when this annual campaign starts. Without your enthusiasm and your cooperation there could be no successful Life Insurance Week. So I venture the hope—as perhaps a presuming spokesman for all who are interested in this great annual movement—that you will give to next year's campaign the same aggressive and devoted service that has been so helpful and so necessary in other years.

While we appreciate the fact that the Life Insurance Week program is sponsored and supported by your companies, and that the responsibility for the plans falls upon the chairman and the members of the committee, who are annually appointed by the chairman of the Life Agency Officers Association, we are nevertheless fully mindful of the fact that the real success of the movement is dependent upon the reception which our efforts receive from you men of the field. We therefore welcome suggestions from you and will avail ourselves, as in the past, of the counsel of those in charge of the affairs of the National association.

In the past you have given this movement your enthusiastic support. The committee this year cherishes the hope that you will continue to support the movement, and that each of you in the field will be willing to follow the lead of your companies in viewing the movement in the light of its value to the institution of life insurance rather than its value to the individual company or underwriter.

Dates Are May 11-16

We do know that Life Insurance Week will be held May 11-16. We are quite certain that our messages to the public will again be carried largely through newspaper advertising. This medium has the distinct advantage of localizing our announcements and of bringing a community's life insurance salesmen prominently into the picture.

Risking possible criticism for speaking out of turn at this time, I remind those of you here who represent our life insurance companies in an official way that the usual generous financial contributions of your companies will be needed again this year.

of estate conservation. Some of the largest policies I have been favored with during the past few years have come from this group. In every agency there is probably one or perhaps two agents who make a specialty of writing this class of business. If you are not familiar with tax laws and their relation to life insurance and annuities, the breaking down of estates, revising of trusts, wills, etc., go to this agent and invite him to join with you on the case. In nearly every community, no matter how small, there are usually one or two people of large means to whom a distinct service can be rendered if the informed life underwriter has an opportunity to serve. Pick out these people, build up the specialist in your agency and by means of your acquaintance and his knowledge, arrange for the opportunity of a preliminary interview. It's a great field and one in which the trained underwriter is going to be brought into more and more because of his knowledge of modern methods of estate conservation.

Business Life Insurance

In the same group would also be those prospects who can be interested in business life insurance. I remember my first stock liquidation case and what a kick I got out of meeting with the board of directors, their favorable reaction to the rather lengthy proposal I

had prepared and the final close. The plan is still in force and apparently the principals involved are just as sold on the whole arrangement today as they were then. It was a service sale—perhaps hardly a package—but nevertheless modern, sound life underwriting. The opportunity for the sale of business life insurance as we crawl out of the depression seems very bright and as with the tax case prospects, if you don't feel competent to handle such cases, don't hesitate to join up with the agent in your agency who has made a specialty.

Supplementing these four general groups are two smaller classes, that of juveniles and women. Policies on boys and girls, while usually small, are probably the beginning of future large lines of business. They are the prospects of the future and should be cultivated. Many times they can be approached through the parents who are already policy-holders and interested in their children getting started at attractive rates while they are young. Selling women is a field which has been rapidly becoming more important. The retirement income idea especially appeals to them. They are package sales buyers. Many companies report 10 to 25 per cent of their volume from this group.

After you have classified a prospect into one of these several groups, build

your approach, sales presentation and closing appeal around the experiences you have had among people previously sold in the same class. Your approach to their particular problem and the solution you offer through life insurance will then not be confused with some entirely different type of selling used with a person who is in another class. They will feel that interest, personal understanding of their situation. To be a successful underwriter you must be able to read human nature and what I have tried to do is to help you to understand how this can be accomplished by the classification of prospects. It forces you to put yourself in a position where you can't help but be sympathetic and helpful. The basis of success in this business is tied right up in this particular test of your personality and understanding.

To visualize, you must merchandise. To merchandise you must have an attractive package to present, and to have such a package, you must have placed yourself in a position to understand a prospect's problem and offer a solution which will be helpful and within his ability to pay for. A few years ago if I were to call the attention of a husband to the possible need for life insurance on his wife to meet emergency expense, I would approach the subject by asking him if his wife had any insurance. Today my opening remark would be—"Could you write your check today for \$1,000?" I would then lay down before him an attractive folder with such a heading and with the expenses of an average death listed in their usual order. On the opposite page would be a brief outline of a policy with figures which can be quickly filled in at the particular age. This interview wouldn't take more than ten minutes. His attention is focused on this specific problem. Could he meet such an emergency now if his wife should die without a long burden of extra debt? He either could or he couldn't and you quickly qualify him as being interested or not.

Facing the Problem

The same idea can be followed through on various types of approach. How many of you can truthfully say that your present plans will surely provide an income of \$100 a month for yourself at age 60 or 65? Ask yourself this question and see if the retirement idea isn't the solution of your problem. If so, what objection can there be in qualifying others in the same way? If we pleasantly but forcefully make people face these problems and if we have the best solution to the problem, they will buy, but the package must be attractive and the emotions built up to a point of action. Words alone won't do the job. They must be supplemented by suggestive, visual influences and that is why national advertising, attractive presentation forms and merchandising methods along these modern lines are beginning to take hold.

We, as agents, are life insurance to the people of our community. To them we stand as a quiet haven of protection to their families if they die and guaranteed income to them in later life if they live. This is a tremendous responsibility and if we are to enjoy a continuation of this confidence, we must conduct ourselves in a manner befitting this trust. Therefore, in our daily work as we contact people from all walks of life, let us always have this one fact before us—"Am I doing the thing which will be in the best interest of the individual I am dealing with? Am I daily doing my part to maintain the trust the public have in life insurance? It's a challenge to the members of this association—it's the backbone of our future happiness and prosperity."

Progress of Registrations

George T. Carlin, educational director of the Central Life of Iowa, reports that registration at the end of the first day was 666, second day report was 1,170, and the third day which was Wednesday was 1,626.

ORGANIZED
1901THIRTY-FOURTH
YEAR*Greetings!*

To all Life Insurance Fieldmen and Company Executives attending the Forty-sixth Annual Convention of the National Association of Life Underwriters, we extend Greetings and Best Wishes.

**Guarantee Mutual Life
Company**

OMAHA, NEBRASKA

A. B. Olson, Manager of Agencies

**The SOUTHLAND LIFE
INSURANCE COMPANY**

JOINS

A. C. "TEX" BAYLESS

AND

The HOUSTON LIFE
UNDERWRITERS' ASSOCIATION

IN

A Cordial Invitation

TO

The National Life
Underwriters' Association

TO

COME to HOUSTON in 1936

(TEXAS CENTENNIAL YEAR)

**Supervisors Stage
Snappy Luncheon**

(CONTINUED FROM PAGE 5)

sum of those two items of income deducted from the estimated expenses gives the minimum production requirement. That is broken down into monthly requirements.

Some Resentment at First

There was some resentment at first on the part of the agents who felt there was too intimate inquiry into their private affairs, but now there is an appreciation of the purpose and the agents willingly cooperate.

E. E. Scanlon of the Mutual Life of New York, in speaking to the subject of training men, said his agency avoids seeking to give high powered ideas that will enable the agent to make a few quick closes. Instead the emphasis is placed on a few fundamental ideas that enable the agent to produce consistently, "to get business every day." The agent is taught that prospecting and selling are the same operation, that he has done a job of work as long as he has called on a man that he has not definitely discarded as a prospect.

Alvin C. Moser, Aetna Life, Milwaukee, told some of his ideas on motivating.

Analyzes Recent Recruits

W. A. Fraser, Bankers Life of Iowa, Lincoln, Neb., said he finds the best results are obtained in recruiting new men from the old organization. Of the last 13 men hired, four were brought in by old agents, three were relatives of agents, two were obtained from "ads", two from circularization of policyholders and two from circularization of school teachers.

G. Franklin Ream of the head office of the Mutual Benefit Life, said the home office is interested in the goals which the supervisors set, for the standards they establish, the methods they employ. The home office is interested in the practical results that are obtained. Although there must be dreamers, they must be followed closely by the "marching feet of men" who can demonstrate whether the dreams are true.

The requirements of supervision and training, he said, depend on recruiting. If poor men are enrolled, the job of training is rendered more difficult. The heartaches of supervision are due to mistakes in recruiting. A long range view should be taken in recruiting activities. "Once you get good men, they can learn to sell under any kind of training process," he declared. The problem focuses on the initial selection of men.

The final speaker was M. B. Oakes, insurance publisher of Indianapolis.

Luncheon for Lincoln

The Metropolitan Life representatives gathered for a luncheon Friday. Vice-president Leroy A. Lincoln, who ad-

Presents Slate



C. C. DAY

C. C. Day, general agent Pacific Mutual Life, Oklahoma City, who acted as chairman of the nominating committee this year. His committee was in session at every opportunity up to the time when the nominations were reported to the national council Wednesday afternoon.

dressed the convention in the morning, was present as well as Vice-president Henry E. North and Louis J. Zettler, superintendent of agents for the territory in which Iowa is located. The Metropolitan has several leaders in national association affairs. J. G. Callahan of St. Louis is the retiring secretary, and P. G. Young, San Francisco, is a new trustee.

**Living Approach Is
Now Recommended**

(CONTINUED FROM PAGE 6)

some day too, and you'll have to do something about it as well as your clients. Buy some long term endowment, endowment income, or whatever medicine you would prescribe for yourself after diagnosing your case, and see how the very first dose boosts you up.

You will feel like a new man because you are going to be a free man, and once you yourself get that feeling, you can transmit it to others.

People want to live, like to live, and do live!

As life insurance men and women in this convention, let's drink a toast to the living.

Here's to a long life and a merry one!

THE NEBRASKA GENERAL AGENCY OF THE NORTHWESTERN MUTUAL LIFE CONGRATULATES THE NATIONAL ASSOCIATION ON ITS SELECTION OF THIS CITY FOR THE MEETING, AND COMPLIMENTS THE MEMBERS OF THE FRATERNITY IN DES MOINES ON THEIR SKILL AND COURTESY AS HOSTS.

FRANKLIN MANN, GENERAL AGENT AND ASSOCIATES, OMAHA.

Metropolitan Man's Address Broadcast

(CONTINUED FROM PAGE 5)

ext, "Foundations." The one weakness he sees is lack of participation by the citizens in their government. He exhorted all to go to the polls.

Hull Urges Education

Roger B. Hull, managing director of the National Association of Life Underwriters, made an impressive plea for agents and companies to engage in a steady program of education to give the people generally a conception of the real nature of insurance. Such a program is essential today, he said, in order to prevent legislative attacks on the business, such as the recent bill in Congress to tax the proceeds of policies even though the assured, in his lifetime, invested himself of the right to change beneficiary and all other incidents of ownership. Mr. Hull has a majestic, somewhat ministerial tone, and his address was most impressive.

Following Mr. Hull's address, Mr. Schriver presented the Charles Jerome Edwards membership trophy to H. T. Burnett of the Reliance Life who was president of the Pittsburgh association during the 1934-35 fiscal year when the record in membership was made that won the cup for Pittsburgh. Mr. Burnett, in turn, handed the cup to L. C. Woods, who is now the Pittsburgh president.

Increase Average Policy

Henry M. Files, of the Northwestern Mutual Life in Cedar Rapids, Ia., gave a practical talk, suggesting how the agent might improve his condition by getting out to increase his average sized policy. He recommended classifying a prospect and then presenting a proposal of particular appeal to the person in that class. He referred to this procedure as package selling.

Mr. Files said there are four general types of prospects—the small buyer, who needs a policy for clean up purposes, the one who must plan for some sort of continued income for his family after death; the retirement income prospect and finally, the man of wealth.

After having classified the prospect, he advised building the approach, sales presentation and closing appeal around the experiences the agent has had among people previously sold in that class. There must be an attractive package to present and in order to present it the agent must have placed himself in a position to understand a prospect's problem and offer a solution that will be helpful and within his ability to pay. The companies are offering powerful assistance to this sales procedure, he said, through national advertising, attractive presentation forms and modern merchandising methods.

Will Prevail and Grow

Much was expected of Leroy A. Lincoln, vice-president and general counsel of the Metropolitan Life, and in his address during the concluding session of the convention, he satisfied those expectations in abundance. He undertook to appraise the future place of life insurance, in view of social security undertakings, inflation, investment possibilities and mortality outlook. He presented a compelling picture of life insurance continuing to prevail and grow, because of its fundamental logic, and even aided by some of the social security measures which might superficially seem to threaten to replace life insurance.

Mr. Lincoln's address will be cited up and down and across the country by agents who are distracted by prospects or policyholders who are confused and concerned as to the relation of life insurance to the New Deal situation. If there is a final answer, Mr. Lincoln has provided it.

Ralph G. Engelsman, the dynamic New York general agent for the Penn Mutual, stirred the convention in its

Speakers at Last Day's Session



R. G. ENGEISMAN, New York
Penn Mutual Life



S. T. WHATLEY, Hartford
Vice-president Aetna Life

closing hours with an appeal to agents to shift the emphasis from life insurance as predominantly protection against death to an instrumentality that provides for life with death as the incident. "People want to live, like to live and do live," was the way he epitomized his theory. He finds there is a powerful sales argument that can be built around the fact that seven out of 10 persons at age 30 will reach age 60. People should be urged to consider not only the hazard of dying, but the more pleasant and likely possibility of living. If they hope for peace and security in their later years, they must save systematically now and for the average man the greatest out and out sure investment he can make is life insurance.

The resolutions adopted were the same as those passed upon by the national council Monday plus the customary expressions of gratitude to the officers and the host association.

"Tommy" Thompson of Peoria was called out to put on his "musical broom" stunt to fill in before Leroy A. Lincoln, whose address had to start at a definite time because of the radio hookup, and made a big hit.

Several Canadians Attend

A representative aggregation of Canadians is attending the Des Moines convention. It is headed by W. A. Kennedy, Winnipeg manager for the Manufacturers Life, who is president of the Life Underwriters Association of Canada. Then there is L. W. Dunstall of Toronto, secretary of the Dominion association; A. Gordon Nairn, field supervisor of the association, and H. P. Berwick of the head office of the Manufacturers Life.

Guardian Life Dinner

About 20 Guardian Life people gathered at dinner Tuesday evening. From the head office came Frank F. Weidenborner, superintendent of agents, and G. L. Mendes, agency assistant.

Clifford DePuy Entertains

Clifford DePuy, publisher of the "Underwriters Review," of Des Moines, entertained a party of 50 newspaper men and some of the company officials at the Des Moines Club Tuesday evening. Commissioner Ray Murphy of Iowa was among the guests.

Los Angeles Has Round Table

Los Angeles members of the Million Dollar Round Table who were unable to attend the Des Moines convention held a round table breakfast of their own on

Tuesday, simultaneously with the meeting of the parent organization in Des Moines, so as to participate in its discussions in spirit if not in person. A telegram of greeting was received, signed by R. A. Brown, former round table chairman, Phineas Prouty, Jr., Hoyt Leisure, Charles Cleston, Victor Petrie and H. C. Terwilliger.

President's Ball Colorful

Two large orchestras, playing alternately until after midnight kept up a continuous flood of dance music for the hundreds of dancers who attended the president's ball Wednesday evening. The dancing got under way about nine o'clock, after a short reception by the officers and their wives, the receiving line being headed by President and Mrs. T. M. Riehle. Many "extras," young girls wearing "Miss Des Moines" ribbons were invited by the committee to "crash the stag lines." The hall was gayly decorated and brightly floodlighted.

Guarantee Mutual Turnout

A. B. Olson, agency director of the Guarantee Mutual Life, headed a delegation from the head office of that company, the others being E. R. Langdon, secretary; J. W. Hughes, vice-president; A. J. Jensen, assistant agency superintendent, and Sam Starrett, home office general agent.

Arnold, Peterson Attend

President O. J. Arnold and Vice-president Carl Peterson of the Northwestern National Life were on hand greeting friends.

Sparver and Young Observed

E. C. Sparver, vice-president and agency superintendent of the Reliance Life, and Rollin Young, who holds the same position with the Franklin Life, are among the home office people on hand.

Des Moines Banker Is Host

Herbert Horton, president of the Iowa-Des Moines National Bank, Tuesday morning, was host at the Des Moines club to a large gathering of Des Moines general agents and company executives. There were short talks by Governor Herring of Iowa and Commissioner Murphy of that state.

Mutual Trust Represented

The Mutual Trust Life of Chicago was represented by L. R. Lunoe and C. W. Noble from the head office.

Forty Women Underwriters Attend Breakfast Conference

"The Essence of Prospecting" was the theme of the Thursday morning breakfast conference attended by about 40 women underwriters. Miss Corinne V. Loomis, John Hancock, Boston, presided. Mrs. Marie B. Parker, Equitable Life of New York in Denver; Miss Ellen M. Putnam, National Life of Vermont, Rochester, N. Y., and Miss Loomis were the speakers, followed by a short address by Caleb R. Smith, chairman of the Million Dollar Round Table.

Character development, a pleasing personality and thorough knowledge of the business were given by Miss Putnam as the chief prerequisites of the successful woman underwriter. She advised joining clubs and civic organizations in order to make friends and prospects. She pointed out that due to the "buyers resistance" during the depression it is important to come well recommended to your prospect by one of his friends. She also advised exhausting every sales possibility in one family, and learning to see prospects in many situations of every day life.

Self-Discipline Urged

Self-discipline was given by Miss Loomis in her talk as the first consideration of the woman underwriter.

"Develop what is essentially yourself," she advised. "Accentuate those characteristics typical of you. If you are genuine and simple you will hit the bull's eye everytime. Be the person you'd enjoy having for your best friend."

"Happiness is only to be achieved by mental adjustment," Miss Loomis declared in stressing the fact that health and happiness are of primary importance to the woman underwriter. "Be willing to accept those things you cannot change, especially in the other fellow, while keeping up a relentless effort to make yourself what you want to be. Try to achieve complete dissatisfaction with what you have already accomplished, at the same time refusing to remember anything uncomfortable about past experiences, such as suspected slights or grudges."

"Learn to be appreciative of what the other fellow does for you," Miss Loomis concluded. "Dare to be yourself and no one can beat you."

After Mr. Smith outlined his "Endless Chain" method of prospecting, the women underwriters adjourned to the main meeting, intending to meet again at a luncheon session.

Connects the Third Time

Charles J. Frisbie, who made a sensational hit in his address before the convention Wednesday, had been scheduled twice in the past to address National association conventions but could not appear. He was listed for an appearance at the Pittsburgh convention in 1931 and the San Francisco meeting the next year. He is connected with the New England Mutual and is president of the Seattle association.

J. J. Moriarty Appears

John J. Moriarty, vice-president of the General American Life, put in an appearance for the proceedings Thursday.

Karl Korrady Late Arrival

Karl B. Korrady, agency head of the Illinois Bankers Life, arrived in Des Moines Thursday in time to have a few sessions with some of his friends.

Raymond Wiese Called Away

Raymond Wiese, Chicago general agent for the State Mutual Life, was called away Wednesday because of the death of an aunt in Davenport, Iowa.

McCarroll and Grimes in Charge

J. H. McCarroll and John Grimes of the publicity department of the Bankers Life of Iowa presided at the press room, taking care of the many demands of the journalists graciously and efficiently.

Foundations of Nation Are Firm

(CONTINUED FROM PAGE 8)
losing faith in the understanding of our people.

That foundation, this national understanding, is just as sound as it ever was, but we do not seem to realize its power, and are not using it.

Workers Not Heard From

The second foundation is one which seems to be entirely overlooked, but it is also sound. It is: The 80 to 90 million people at work, or beneficiaries of those who are working.

We hear nothing of them.

We hear nothing of the 50,000,000 savings bank account owners; nothing about the 20,000,000 farm and home owners; nothing of the 60 odd million life insurance policy owners.

There always have been, and always will be some who would destroy everything good or bad, hoping to pick up some of the pieces, and at this time, as in all troublous times, communists and the like are particularly aggressive and vocal. We hear much about them but their number is insignificant, negligible, and they must not be taken too seriously or allowed to color our policies or our program.

These 80 to 90 million people at work are a foundation to which no one refers but one in which we may well have faith. They are more, they are the driving power and the safety of the republic. They carry the nation's fate, and it is in safe hands.

Spiritual Side in All

The third foundation is: America has a spiritual side.

Ideas and ideals remain when everything else changes. We cannot get away from them, even if we would.

Every American citizen is a dual personality. He has two sides, one, the commercial, the other, the spiritual. The commercial side is selfish. The spiritual side is generous. Naturally, we are all selfish much of the time, but the spiritual is here in us all, and ready for use. What is it in times of war, when the foundations are at issue, which makes the great mass of our citizens drop everything, drop the commercial as of no importance, and give their all, including their lives? That is the spiritual. We can bring out either side. If our leaders are spiritual, the people will follow in the better way. If they are selfish, the people will seek their own.

The history of our ancestors coming to these difficult and inhospitable shores is not the history of what they sought commercially. It is the history of what they thought and hoped. It is their ideals. It is the spiritual side of that movement.

We need a great national awakening to the better things of life, to honest work and plenty of it, to slow, steady progress, to frugality, to integrity, and to brotherly love.

Under selfish, unwise leadership the people become all the more selfish, but under wise and generous leadership the people will turn from the commercial to the spiritual, from the selfish to the generous.

This spiritual side of our citizens is a foundation. A foundation which is as firm as a rock, and one on which we can build.

Take Individual Part

The fourth foundation is: The part we citizens take as individuals in running local, state, and national affairs.

True, this is a foundation, but it is more than that. It is our greatest check on the building of our national superstructure.

Ours is a representative form of government. It depends for its success on the interest and active work of every citizen. We can stop anything of which we do not approve simply by electing other and better men to do the job. But that's the only way we can stop it. It is the best system ever devised, if we do that. Otherwise, it is not practicable.

Houston Now Considers Bidding for '37 Rally

Although the Texas delegation, in its first reaction after Boston captured the 1936 convention, declared that it would not be interested in seeking the 1937 convention, by Thursday morning the skies had brightened, and already some of the leaders were discussing a campaign to bring the convention to Houston year after next. That seems to be the technique in National association rivalries—to make a great stand one year and find victory in defeat, losing out one year only to prevail easily the next. If Houston makes a bid for the 1937 convention, Denver will be heard from. That will make a good scrap.

The Texas people were dejected mainly, not so much in losing out to Boston, but because of the size of the vote for the rival city.

and will fail. Our forefathers predicated the whole system on that action by us.

We cannot leave government to a group of self-appointed, untrained, and often selfish politicians, no matter what their party. That personal, active, and persistent work of the citizens as individuals is the all-important, inescapable, necessary and positive check on the building of this nation. It is the condition precedent to a sound building on sound foundations. It is the one thing about which we need to be the most concerned.

If the people do not like the house the politicians are building for them to live in, all they have to do is to use the means already in their hands and dismiss all those who are not the right kind of builders. But this must not be done, nor new material be chosen on a partisan basis. We have some good builders in all parties.

Our failure to do our part in this respect is not new and it is only relative—sometimes greater, sometimes less. But it is the one important thing in the proper functioning of our system.

Duty As Citizens

It will not do for you insurance men to spend all your time making and selling insurance. You must give a goodly part of it to your duties as citizens of the republic, or there won't be anyone to buy insurance. Our children will not have what we have enjoyed unless each one of us does his part.

Those are the four foundations of which I would speak.

The first three are sound and dependable.

The fourth needs attention. It is not functioning properly.

To make it right, every man and woman must get into politics deeply enough to know the necessities of the moment and of the future and the worth of the different candidates, and then go to the polls at every election and vote.

That is what we need, and that's all we need.

People Should Vote

If the people all over the United States will vote our troubles will be over. We scold about conditions. We say what ought to be done. But we do nothing.

We say what ought to be done, we do nothing and become so partisan that we will not support anything no matter how good it is unless it is done by a member of our own party. That's all wrong.

Only about half of the so-called white collar classes vote.

It isn't enough for us to have solid foundations. Foundations are of no value except as they carry a superstructure. A very bad building might be erected on the best of foundations. Our national trouble has never been with the foundations—it has been with the superstructure, and the only way to make that right is to elect our best men to leadership.

Often the men wanted, the best men, refuse to run. We cannot allow that. They must be drafted. Candidates

should be selected by the people, not forced on them.

When I consider these four foundations, I reach the very definite feeling that the making of America, i.e., the building of the superstructure, is not finished, that it is just begun.

Mend the Bad Places

There are many inequalities to be ironed out. We must bring up that which is down. We must mend the bad places. It will not do to lift the high higher, while we push the low lower. Much of our power comes from our humble homes, and we are no better than the country's cross section.

We must sort out all the good of the old order, and there is much good there, and all the good of the new order, and it has much good—put them together, discard the remainder, and add all that is necessary to make our national future much better than the past has been.

But this will not be done unless each one of us does his part. It doesn't make any difference to what party we belong, nor what our theories of government are, we must take a part and vote. No one else can do it for us.

In this work we should not hold back from fear of being called idealists; we should give full play to our sympathies. We should cultivate the spiritual and open our hearts and extend our activities to all those in trouble, and to higher ideals.

There is only one rule of life which will work. That is, work with the individual to make his life worth-while. Work in the home to make that real. Work in business and in national and international affairs. And that is the simple old rule we learned at our mother's knee, of doing unto others as we would have them do unto us.

Must Be Good to Live In

That may sound too soft for the battles and problems of life, but it is not, provided that in using this rule we consider the rights and necessities of all. In the hands of sentimentalists or of those who would exploit the national well-being for their selfish ends, it becomes dangerous, but, it is the only yard-stick by which the nation can measure out right conditions for everyone.

However, the house we build must be good to live in, and the cost such that we can pay it.

I am wondering whether some of you in the audience are not thinking that this is altogether too idealistic. Maybe so, but the kind of business I have been in is not ordinarily supposed to be the kind which develops dreamers. The fact is that most of us are not idealistic enough.

The country has been having a bit of trouble—but we have had trouble before.

In the '70s after the war between the states, some of our most prominent citizens thought the nation was about to "dissolve itself in anarchy"—but it did not then, and it will not now.

If we citizens buckle down to our jobs, happy in the added problems, cares, responsibilities, and frugilities—if each does his particular part in government—if we are willing to help bear the burdens of others—and if we have faith in ourselves and in our fellow citizens—we will surmount every barrier—we will solve every problem—we will overcome every difficulty—and we shall go on to a better national life for all, than we have ever known. But each must do his part.

Complete Five Year Program

C. E. "Tommy" Thompson, general agent in Peoria, Ill., for the Connecticut General, and J. Hawley Wilson of the Massachusetts Mutual in Peoria, are witnessing the completion of a five year program. They were the original backers of Lester O. Schriver for official position, getting him on the slate at the Pittsburgh convention in 1931 and keeping him on every year thereafter, going through the great Schriver-for-vice-presi-

Reviews Sessions



VINCENT B. COFFIN
Connecticut Mutual Life

dent battle last year. This year they are seeing their man slide into office with the ways well greased.

Association Men Airminded

A party of National association officers and trustees arranged to make the trip to Chicago in a ten-seater United Air Lines plane immediately after the close of the convention Friday. Those making the trip are Theodore M. Riehle, New York, retiring president; Alexander E. Patterson, Penn Mutual, Chicago, vice-president; Roger B. Hull, managing director; Paul F. Clark, John Hancock, Boston, past president and trustee; Graham C. Wells, New York past president; Harry T. Wright, Equitable Life of New York, Chicago; Ralph G. Engelsman, Penn Mutual, New York; John A. Witherspoon, Nashville, trustee; Chester O. Fischer, Massachusetts Mutual, St. Louis, trustee, and Horace Mecklem, Portland, Ore., trustee.

Mr. Mecklem was the promoter of the trip. He has long been known for his air-mindedness and stressed the advantages of air transportation in a recent article in "Life Association News."

Indianapolis Life Rally

The Indianapolis Life held an agency meeting and dinner for its Iowa men at the Hotel Kirkwood Tuesday evening.

There were about 25 in attendance including A. H. Kahler, superintendent of agents from the home office; Julian Schwab, member of the Million Dollar Round Table; A. B. Burgess, Des Moines general agent; J. J. Schweinfuss of Ottumwa, Iowa; J. R. Bunyan of Waterloo, Iowa, and Geo. M. Buck, field supervisor.

They discussed plans for the coming year and with the upturn of general conditions, a large production is planned in the coming year.

General American Roundup

The Des Moines agency of the General American Life gave a luncheon Tuesday in honor of David W. Hopkins, assistant to the president. Manager Alfred T. Lynner had conducted a two week's contest ahead of time and as a result Mr. Hopkins was presented with \$70,000 of business.

John J. Moriarity, superintendent of agencies, arrived in Des Moines Thursday.

A. A. McFall Is Greeted

A. A. McFall, vice-president of the Columbian National of Boston, was greeted by many friends, since he was formerly located in the middle west. T. E. Allen, agency supervisor, is also attending.